
State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Filing at a Glance

Company: United Security Assurance Company of Pennsylvania

Product Name: 2019 NSI Rate Increase - VA

State: Virginia

TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care

Sub-TOI: LTC05I.002 Non Qualified

Filing Type: Rate

Date Submitted: 09/05/2019

SERFF Tr Num: USPA-132069185

SERFF Status: Closed-Approved

State Tr Num: USPA-132069185

State Status: Approved

Co Tr Num: VA 2019 NSI RATE INCREASE

Effective: On Approval

Date Requested:

Author(s): Martha Stephens, Tara Shiffert, William Neugroschel, Marge Haley, Gary Hulet

Reviewer(s): Greg Smith (primary), Colleen Moore

Disposition Date: 06/21/2021

Disposition Status: Approved

Effective Date:

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

General Information

Project Name:	Status of Filing in Domicile: Not Filed
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact: 17.5%	Filing Status Changed: 06/21/2021
	State Status Changed: 06/21/2021
Deemer Date: 07/17/2021	Created By: Gary Hulet
Submitted By: Gary Hulet	Corresponding Filing Tracking Number:
	State TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care

Filing Description:

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified
Product Name: 2019 NSI Rate Increase - VA
Project Name/Number: /

Scott A. White
Commissioner of Insurance
Virginia Bureau of Insurance - SCC
PO Box 1157
Richmond, VA 23218

RE: United Security Assurance Company of Pennsylvania – NAIC # 42129
Rate Increase Request for Assumed Block of Business from National States Insurance Company (NAIC #60593)

Affected Form Numbers: PAL-1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS

Dear Commissioner:

United Security Assurance Company of Pennsylvania ("United Security") is requesting a rate increase on policies assumed from the National States Insurance Company. Enclosed, please find an actuarial memorandum, rates and exhibits relating to this rate increase request.

United Security is requesting a rate increase on the following policy form: PAL-1(02)R. This policy form was issued by National States Insurance Company from 1997 through 2009. The business was assumed by United Security on September 30, 2009.

This filing applies to in-force business only as these forms are no longer being marketed in any jurisdiction.

Thank you in advance for your review of this filing. Should you have any questions, please do not hesitate to contact me at erogers@usa-cal.com.

Sincerely,

Martha Stephens
Vice President, Operations
Phone: (215) 723-3044
E-Mail: mstephens@usa-cal.com

Company and Contact

Filing Contact Information

Martha Stephens, Vice President of

Operations

673 Cherry Lane

Souderton, PA 18964-1260

mstephens@usa-cal.com

215-723-3044 [Phone] 124 [Ext]

215-723-8036 [FAX]

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Filing Company Information

United Security Assurance
Company of Pennsylvania
673 Cherry Lane
Souderton, PA 18964-1260
(215) 723-3044 ext. [Phone]

CoCode: 42129
Group Code:
Group Name:
FEIN Number: 23-2227246

State of Domicile:
Pennsylvania
Company Type: Life,
Accident/Health
State ID Number:

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Filing Fees

State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Greg Smith	06/21/2021	06/21/2021

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Colleen Moore	06/11/2021	06/11/2021
Info has been requested from company	Colleen Moore	05/05/2021	05/05/2021
Info has been requested from company	Colleen Moore	04/02/2021	04/02/2021
Info has been requested from company	Colleen Moore	03/12/2021	03/12/2021
Info has been requested from company	Colleen Moore	01/12/2021	01/12/2021
Info has been requested from company	Greg Smith	10/29/2020	10/29/2020
Info has been requested from company	Greg Smith	10/20/2020	10/20/2020
Info has been requested from company	Greg Smith	04/06/2020	04/06/2020
Info has been requested from company	Greg Smith	02/10/2020	02/10/2020
Info has been requested from company	Greg Smith	01/23/2020	01/23/2020

Response Letters

Responded By	Created On	Date Submitted
Gary Hulet	06/17/2021	06/17/2021
Martha Stephens	05/18/2021	05/18/2021
Gary Hulet	04/02/2021	04/02/2021
Gary Hulet	03/23/2021	03/23/2021
Gary Hulet	01/13/2021	01/13/2021
Gary Hulet	11/04/2020	11/04/2020
Gary Hulet	10/20/2020	10/20/2020
Gary Hulet	05/05/2020	05/05/2020
Gary Hulet	03/03/2020	03/03/2020
Gary Hulet	02/18/2020	02/18/2020

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Greg Smith	12/01/2019	12/01/2019
Info has been requested from company	Greg Smith	09/17/2019	09/17/2019

Response Letters

Responded By	Created On	Date Submitted
Gary Hulet	12/02/2019	12/02/2019
Gary Hulet	09/24/2019	09/24/2019

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
17.5% Rate Increase	Note To Reviewer	Gary Hulet	10/19/2020	10/19/2020
RRS	Reviewer Note	Colleen Moore	06/11/2021	
Actuary Report	Reviewer Note	Greg Smith	03/15/2021	

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Disposition

Disposition Date: 06/21/2021

Effective Date:

Status: Approved

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
United Security Assurance Company of Pennsylvania	17.500%	17.500%	\$1,001	3	\$5,715	17.500%	17.500%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Certification of Compliance	Received & Acknowledged	Yes
Supporting Document	Product Checklist		No
Supporting Document (revised)	L&H Actuarial Memorandum	Received & Acknowledged	Yes
Supporting Document (revised)	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
Supporting Document	Rates and Exhibits	Received & Acknowledged	Yes
Supporting Document (revised)	Policy Change Endorsement PCE-U (NSI)	Received & Acknowledged	Yes
Supporting Document	VA Objection Response 09172019	Received & Acknowledged	Yes
Supporting Document	VA Objection Response 01232020	Received & Acknowledged	Yes
Supporting Document	VA Objection Response 04062020	Received & Acknowledged	Yes
Supporting Document	VA Objection Response 10-20-2020	Received & Acknowledged	Yes
Supporting Document	VA Objection Response 10-29-2020	Received & Acknowledged	Yes
Supporting Document	VA Objection Response 03-12-2021	Received & Acknowledged	Yes
Supporting Document (revised)	Approved Forms from SERFF filing USPA-131712591 Policyholder Correspondence	Received & Acknowledged	Yes
Supporting Document	06-11-2021 Objection Item #2 regarding policies affected by rate increase - updated Actuarial Memo	Received & Acknowledged	Yes
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Policy Change Endorsement PCE-U (NSI)	Withdrawn	No
Supporting Document	Approved Forms from SERFF filing USPA-131712591 Policyholder Correspondence	Withdrawn	No
Form (revised)	Policyholder Letter	Withdrawn	No
Form	Policyholder Letter	Withdrawn	No
Rate (revised)	Rates and Exhibits	Approved	Yes
Rate (revised)	VA asked for removal of past rates	Withdrawn	No
Rate (revised)	VA asked for removal of past rates	Withdrawn	No
Rate (revised)	VA asked for removal of past rates	Withdrawn	No
Rate (revised)	VA asked for removal of past rates	Withdrawn	No
Rate (revised)	VA asked for removal of past rates	Withdrawn	No
Rate	Rates and Exhibits	Withdrawn	No
Rate	Rates and Exhibits	Withdrawn	No
Rate	PAL Policy Form Series Rates	Withdrawn	No
Rate	PAL Policy Form Series Rates	Withdrawn	No
Rate	LIR Rider Rates	Withdrawn	No
Rate	LIR Rider Rates	Withdrawn	No
Rate	HCS Rider Rates	Withdrawn	No
Rate	HCS Rider Rates	Withdrawn	No
Rate	NF Rider Rates	Withdrawn	No
Rate	NF Rider Rates	Withdrawn	No
Rate	DVH Rider Rates	Withdrawn	No
Rate	DVH Rider Rates	Withdrawn	No

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified
Product Name: 2019 NSI Rate Increase - VA
Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	06/11/2021
Submitted Date	06/11/2021
Respond By Date	07/11/2021

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- Approved Forms from SERFF filing USPA-131712591 Policyholder Correspondence (Supporting Document)

Comments: Please update the John Doe version of the policyholder notification letter to show how the form will be used in conjunction with this filing. For example, Paragraph 1 and the premium exhibit on page 1 should reflect the 17.5% increase.

Objection 2

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: In Section 18 of the updated actuarial memorandum, the number of policies was revised from 7 down to 6, the annualized premium before increase changed to \$12,162 and the current average annual premium per policy changed to \$2,027. For consistency, please update the following items in the filing::

- Company Rate Information on the Rate/Rule Schedule: Number of Policy Holders Affected, Written Premium for this Program and Written Premium Change

- Long Term Care Insurance Rate Request Summary: Average Annual Premium per Member and Number of Virginia Policyholders Affected

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Colleen Moore
Senior Insurance Market Examiner

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Sincerely,
Colleen Moore

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified
Product Name: 2019 NSI Rate Increase - VA
Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	05/05/2021
Submitted Date	05/05/2021
Respond By Date	06/04/2021

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: It does not appear that a revised Rate Request Summary was submitted with the objection response dated 4/2/21.

Please reattach the Rate Request Summary document including the revised Narrative as the 2nd page. The Narrative is currently attached separately under the heading L&H Actuarial Memorandum.

Objection 2

Comments: The company has indicated it intends to use the form templates approved in USPA-131712591.

- Please attach a copy of the forms and the statement of variability under supporting documentation.
- Submit a "John Doe" version of each form in the final form showing how it is intended to be used.
- Please also attach a copy of the approved policy change endorsement form under supporting documentation and provide the SERFF filing number and the date of approval.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

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Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Colleen Moore
Senior Insurance Market Examiner

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Sincerely,
Colleen Moore

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	04/02/2021
Submitted Date	04/02/2021
Respond By Date	05/02/2021

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: Thank you for attaching the updated narrative language. Please attach the narrative as page 2 of the ltrcreatereq_sum document under the heading Long Term Care Insurance Rate Request Summary.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Colleen Moore
Senior Insurance Market Examiner

Sincerely,
Colleen Moore

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/12/2021
Submitted Date	03/12/2021
Respond By Date	04/11/2021

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)
- Long Term Care Insurance Rate Request Summary (Supporting Document)
- Rates and Exhibits, [] (Rate)

Comments: There are inconsistencies in the form numbers included in this filing: PAL-1(02)R vs PAL1(02)R and PAL-1 vs PAL1. Please resolve this discrepancy and update the form numbers to reflect the approved form numbers.

Objection 2

- Rates and Exhibits, [] (Rate)

Comments: Line Item 1

- 1) Please list all form numbers under Affected Form Numbers.
- 2) Please update the Previous Filing # to reflect the previously approved filing (USPA-127658444).
- 3) Please confirm if there should be a separate rate sheet for Form PAL-1. The rate sheet only lists PAL-1(02)R.
- 4) Form R-NF - As the nonforfeiture rates are a % of the base and other rider rates, is it the Company's intention that the %'s remain unchanged, with the % applying to the higher underlying rates?
- 5) Please confirm the rates currently billed for the Nonforfeiture rider. The rate sheet included on page 10 of Exhibit 6A shows percentages which are lower than the percentages approved in USPA-127658444.
- 6) The rate sheet included on page 10 lists R-NF and R-QNF rates. Please explain. R-QNF is not listed as a form number in this filing.

Objection 3

- PAL Policy Form Series Rates, [] (Rate)
- LIR Rider Rates, [] (Rate)
- HCS Rider Rates, [] (Rate)
- NF Rider Rates, [] (Rate)
- DVH Rider Rates, [] (Rate)

Comments: It appears the rate sheet attached to Line Item 1 is intended to replace lines 2 -6. If so, please remove the rate sheets attached to lines 2 - 6.

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified
Product Name: 2019 NSI Rate Increase - VA
Project Name/Number: /

Objection 4

- VA Objection Response 10-29-2020 (Supporting Document)
- L&H Actuarial Memorandum (Supporting Document)

Comments: Please update the version of the Actuarial Memorandum attached under the L&H Actuarial Memorandum heading to be the revised version reflecting the 17.5% increase (currently attached under the VA Objection Response 10-29-2020.)

Objection 5

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: 1) Please update the Rate Request Summary to include all applicable form numbers.

2) Please attach the updated version under the heading Long Term Care Rate Request Summary and remove the previous version.

3) The narrative attached to the Rate Request Summary is intended to be high level and in very consumer friendly language. It currently contains references and terminology which may not be clear to individuals with little to no insurance experience. Please revise the narrative to be in consumer friendly language.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Colleen Moore
Senior Insurance Market Examiner

Sincerely,
Colleen Moore

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	01/12/2021
Submitted Date	01/12/2021
Respond By Date	02/11/2021

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- Policyholder Letter, VA NSI LTR 2019 (Form)

Comments: Please advise if the Company's intends to use the policyholder notification templates currently being reviewed in USPA-131712591 for this filing. If so, please remove the notification forms from the Form Schedule tab. When the forms are approved under USPA-131712591, attach copies of the approved forms and the accompanying statements of variability under Supporting Documentation.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

IMPORTANT! PLEASE NOTE: A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Colleen Moore
Senior Insurance Market Examiner

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Sincerely,
Colleen Moore

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	10/29/2020
Submitted Date	10/29/2020
Respond By Date	11/28/2020

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Please respond by the Respond By Date above. If an extension is required, submit your request prior to that date.

Objection 1

Comments: In accordance with acceptance of a 17.5% rate adjustment (Note to Reviewer, 10/19/2020), please update the filing with the Projected Lifetime Loss Ratio, and any other pertinent data within the Actuarial Memo and relevant documents.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Greg Smith
Principal Insurance Examiner

Sincerely,
Greg Smith

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	10/20/2020
Submitted Date	10/20/2020
Respond By Date	11/19/2020

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Please respond by the Respond By Date above. If an extension is required, submit your request prior to that date.

Objection 1

Comments: Please revise the Rate Request Summary to accommodate the revised increase.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Greg Smith
Principal Insurance Examiner

Sincerely,
Greg Smith

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	04/06/2020
Submitted Date	04/06/2020
Respond By Date	05/05/2020

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Please respond by the Respond By Date above. If an extension is required, submit your request prior to that date.

Objection 1

Comments: Please see attachment in Note to Filer for the description of rating methods requested.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Greg Smith
Principal Insurance Examiner

Sincerely,
Greg Smith

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/10/2020
Submitted Date	02/10/2020
Respond By Date	03/11/2020

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Please respond by the Respond By Date above. If an extension is required, submit your request prior to that date.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)
- Rates and Exhibits, [PAL1, PAL1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS] (Rate)

Comments: Please provide all projections necessary to evaluate the requests based on both the Prospective Present Value Approach (or Texas Method) and the "If-Knew/Makeup Blend" approach (or Minnesota Method).

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Greg Smith
Principal Insurance Examiner

Sincerely,
Greg Smith

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	01/23/2020
Submitted Date	01/23/2020
Respond By Date	02/22/2020

Dear Martha Stephens,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Please respond by the Respond By Date above. If an extension is required, submit your request prior to that date.

Objection 1

Comments: Since we use the original pricing projection in our analysis (a direct dollar-based comparison with the current and proposed projections), the data in Exhibit 2 does not provide enough detail. While we understand that there may be some difficulty due to loss of data at the acquisition of the business, we ask that the Company recreate a calendar year projection of earned premiums and incurred claims that the actual cohort of policies sold would have experienced using the original premium scale and original mortality, lapse, and morbidity assumptions. In other words, what would have occurred if the original assumptions had played out exactly as anticipated, with the exception of the assumed business mix.

Objection 2

Comments: Please advise whether the nationwide earned premiums have been recomputed assuming both the prior and requested rate increases in Virginia had been used nationwide. Revise projections as appropriate.

Objection 3

Comments: Please provide the nationwide active life reserves as of the projection date.

Objection 4

Comments: Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.

Objection 5

Comments: Please update the Average Annual Premium Per Member in the Part 1 to reflect the average annual premium after the increase for Virginia policies.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Greg Smith
Principal Insurance Examiner

Sincerely,
Greg Smith

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	12/01/2019
Submitted Date	12/01/2019
Respond By Date	01/01/2019

Dear Martha Stephens,

Introduction:

Please respond to the following requests.

Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: On the LTCL Rate Request Summary Part 1, is the Average Annual Premium Per Member supposed to be before or after the rate increase?

Conclusion:

We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Greg Smith
Principal Examiner

Sincerely,
Greg Smith

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Objection Letter

Objection Letter Status Info has been requested from company

Objection Letter Date 09/17/2019

Submitted Date 09/17/2019

Respond By Date

Dear Martha Stephens,

Introduction:

The Bureau has completed a preliminary review of this filing and have the following concerns and/or requests. A more detailed and thorough review will be performed once these concerns are addressed.

Please note, any revisions, modifications or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please reconcile the following stated rate increase amounts:

- Rate/Rule Schedule: Minimum and Maximum % Change, 134.200%
- Rate Request Summary: Actuarial equivalent rate change, 109.645%

Objection 2

- Rates and Exhibits (Supporting Document)
- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm if this filing applies to both Pre and Post Stability blocks. If so,

In order to determine compliance for policies issued prior to 10/1/2003 as set forth in 14VAC5-200-150, and those issued on or after 10/1/2003 as set forth in 14VAC5-200-153, please break-out the number of policies accordingly as well as providing separate exhibits illustrating experience and projections.

Objection 3

- Rates and Exhibits, [PAL1, PAL1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS] (Rate)
- PAL Policy Form Series Rates, [PAL-1, PAL-1(02)R] (Rate)
- LIR Rider Rates, [R-LIR-4] (Rate)

Comments: Applicable Form numbers must appear on their respective Rate Sheet(s).

Objection 4

Comments: As the previous filing shown in the Rate/Rule Schedule was Closed-Disapproved on 7/13/2015 (USPA-129878540), please confirm that the rates currently used are unchanged from those approved in the filing prior (USPA-127658444).

Objection 5

Comments: Rate/Rule Schedule, Rate Action Information:

As the previous filing (USPA-129878540) was disapproved and the requested 20% adjustment was never applied, these fields should reflect the previous filing that was approved (USPA-127658444) along with the adjustment requested in this filing for each form. For example, if each form has a requested increase of 134.20% in this filing, then that should be reflected by each form entry. Please

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified
Product Name: 2019 NSI Rate Increase - VA
Project Name/Number: /

revise with a post-submission update..

Objection 6

- PAL Policy Form Series Rates, [PAL-1, PAL-1(02)R] (Rate)
- LIR Rider Rates, [R-LIR-4] (Rate)

Comments: We note what appears to be non-sequential rates on the rate sheets. Ex: PAL Set 1, PAL Set 2, PAL Set 3 The rates on Exhibit PAL Set 1, Exhibit 6A are the same as on PAL Set 3, Exhibit 6C. Please confirm accuracy on all rate sheets.

Objection 7

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The Prior Rate Increases - Date is not consistent with the Effective Date of Last Rate Revision field in the Rate/Rule Schedule. Please resolve.

Objection 8

- Policy Change Endorsement PCE-U (NSI) (Supporting Document)

Comments: Please provide the SERFF tracking # where the Policy Change Endorsement was approved.

Objection 9

- Policy Change Endorsement PCE-U (NSI) (Supporting Document)
- Policyholder Letter, VA NSI LTR 2019 (Form)

Comments: Please provide a Statement of Variability (SOV) for referenced forms.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Greg Smith
Principal Insurance Examiner
Sincerely,
Greg Smith

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/17/2021
Submitted Date	06/17/2021

Dear Greg Smith,

Introduction:

Response 1

Comments:

I have submitted an updated VA-RI John Doe policyholder notification letter

Related Objection 1

Applies To:

- Approved Forms from SERFF filing USPA-131712591 Policyholder Correspondence (Supporting Document)

Comments: Please update the John Doe version of the policyholder notification letter to show how the form will be used in conjunction with this filing. For example, Paragraph 1 and the premium exhibit on page 1 should reflect the 17.5% increase.

Changed Items:

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Approved Forms from SERFF filing USPA-131712591 Policyholder Correspondence
Comments:	Attached are the policyholder correspondence Forms approved in USPA-131712591, as well as the Statement of Variables and John Doe versions of both Forms.
Attachment(s):	VA-RI_032421.pdf TRI-CL2020 Options Cover Letter_033121.pdf Statement of variables Forms VA-RI and TRI-CL2020_03-31-21.pdf TRI-CL2020 Options Cover Letter_JohnDoe.pdf VA-RI-1 - John Doe.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Approved Forms from SERFF filing USPA-131712591 Policyholder Correspondence</i>
Comments:	<i>Attached are the policyholder correspondence Forms approved in USPA-131712591, as well as the Statement of Variables and John Doe versions of both Forms.</i>
Attachment(s):	<i>VA-RI_032421.pdf TRI-CL2020 Options Cover Letter_033121.pdf Statement of variables Forms VA-RI and TRI-CL2020_03-31-21.pdf VA-RI-1 - John Doe.pdf TRI-CL2020 Options Cover Letter_JohnDoe.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

I have updated Section 18 of the actuarial memorandum with the year-end 2020 information; submitted a post-submission update correcting the data under the Rate/Rule Schedule; and submitted an updated LTC Ins Rate Request Summary.

Related Objection 2

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: In Section 18 of the updated actuarial memorandum, the number of policies was revised from 7 down to 6, the annualized premium before increase changed to \$12,162 and the current average annual premium per policy changed to \$2,027. For consistency, please update the following items in the filing::

- Company Rate Information on the Rate/Rule Schedule: Number of Policy Holders Affected, Written Premium for this Program and Written Premium Change
- Long Term Care Insurance Rate Request Summary: Average Annual Premium per Member and Number of Virginia Policyholders Affected

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum Final.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>ltcratereq_sum 5.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>ltcratereq_sum 4.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>ltcratereq_sum 1.pdf</i>

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum Final.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>ltcratereq_sum 5.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>ltcratereq_sum 4.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>ltcratereq_sum 1.pdf</i>

Satisfied - Item:	06-11-2021 Objection Item #2 regarding policies affected by rate increase - updated Actuarial Memo
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo Updated.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Please let me know if you need anything else.

Sincerely,

Gary Hulet

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:VA 2019 NSI RATE INCREASE

State:

Virginia

Filing Company:

United Security Assurance Company of Pennsylvania

TOI/Sub-TOI:

LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name:

2019 NSI Rate Increase - VA

Project Name/Number:/

Response Letter

Response Letter Status

Submitted to State

Response Letter Date

05/18/2021

Submitted Date

05/18/2021

*Dear Greg Smith,***Introduction:****Response 1****Comments:***Revised Rate Request Summary to include the narrative.***Related Objection 1***Applies To:**- Long Term Care Insurance Rate Request Summary (Supporting Document)**Comments: It does not appear that a revised Rate Request Summary was submitted with the objection response dated 4/2/21.*

Please reattach the Rate Request Summary document including the revised Narrative as the 2nd page. The Narrative is currently attached separately under the heading L&H Actuarial Memorandum.

Changed Items:

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum 5.pdf
Previous Version	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum 4.pdf
Previous Version	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum 1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Added the Approved policyholder Correspondence, SOV and John Doe versions.
See the revised PCE Supporting Document item.

Related Objection 2

Comments: The company has indicated it intends to use the form templates approved in USPA-131712591.

- Please attach a copy of the forms and the statement of variability under supporting documentation.
- Submit a "John Doe" version of each form in the final form showing how it is intended to be used.
- Please also attach a copy of the approved policy change endorsement form under supporting documentation and provide the SERFF filing number and the date of approval.

Changed Items:

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Policy Change Endorsement PCE-U (NSI)
Comments:	Previously approved form. under SERFF USPA- 127712645 on 1/10/2012 and also on 4/16/2015 which revised the SOV (filing summary attached).
Attachment(s):	PCE-U-NSI.pdf PCE-U(NSI) SERFF USPA-127712645.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Policy Change Endorsement PCE-U (NSI)</i>
Comments:	<i>Previously approved form.</i>
Attachment(s):	<i>PCE-U-NSI.pdf</i>

Supporting Document Schedule Item Changes	
Satisfied - Item:	Policy Change Endorsement PCE-U (NSI)
Comments:	Previously approved form. under SERFF USPA- 127712645 on 1/10/2012 and also on 4/16/2015 which revised the SOV (filing summary attached).
Attachment(s):	PCE-U-NSI.pdf PCE-U(NSI) SERFF USPA-127712645.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Policy Change Endorsement PCE-U (NSI)</i>
Comments:	<i>Previously approved form.</i>
Attachment(s):	<i>PCE-U-NSI.pdf</i>

Satisfied - Item:	Approved Forms from SERFF filing USPA-131712591 Policyholder Correspondence
Comments:	Attached are the policyholder correspondence Forms approved in USPA-131712591, as well as the Statement of Variables and John Doe versions of both Forms.
Attachment(s):	VA-RI_032421.pdf TRI-CL2020 Options Cover Letter_033121.pdf Statement of variables Forms VA-RI and TRI-CL2020_03-31-21.pdf VA-RI-1 - John Doe.pdf TRI-CL2020 Options Cover Letter_JohnDoe.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your consideration.

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:VA 2019 NSI RATE INCREASE

State:

Virginia

Filing Company:

United Security Assurance Company of Pennsylvania

TOI/Sub-TOI:

LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name:

2019 NSI Rate Increase - VA

Project Name/Number:

/

Sincerely,

Martha Stephens

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/02/2021
Submitted Date	04/02/2021

Dear Greg Smith,

Introduction:

Response 1

Comments:

Done!

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Thank you for attaching the updated narrative language. Please attach the narrative as page 2 of the ltraterreq_sum document under the heading Long Term Care Insurance Rate Request Summary.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/23/2021
Submitted Date	03/23/2021

Dear Greg Smith,

Introduction:

Response 1

Comments:

Please see the objection response letter attached under Supporting Documents

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- Long Term Care Insurance Rate Request Summary (Supporting Document)
- Rates and Exhibits, [] (Rate)

Comments: There are inconsistencies in the form numbers included in this filing: PAL-1(02)R vs PAL1(02)R and PAL-1 vs PAL1. Please resolve this discrepancy and update the form numbers to reflect the approved form numbers.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo v2.pdf New VA Narrative.pdf
Previous Version	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	NSI 2019 VA Rate Increase Memo.pdf Virginia Narrative.pdf

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo v2.pdf New VA Narrative.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>NSI 2019 VA Rate Increase Memo.pdf</i> <i>Virginia Narrative.pdf</i>
Satisfied - Item:	VA Objection Response 03-12-2021
Comments:	
Attachment(s):	VA Objection Response 03-12-2021.pdf

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo v2.pdf New VA Narrative.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>NSI 2019 VA Rate Increase Memo.pdf</i> <i>Virginia Narrative.pdf</i>

Satisfied - Item:	VA Objection Response 03-12-2021
Comments:	
Attachment(s):	VA Objection Response 03-12-2021.pdf

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum 4.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>ltcratereq_sum 1.pdf</i>

No Form Schedule items changed.

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:

VA 2019 NSI RATE INCREASE

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Rates and Exhibits	PAL-1, PAL-1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS	Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 17.5	Exhibit 6A - Proposed Rates.pdf,	03/23/2021 By: Gary Hulet
<i>Previous Version</i>						
1	Rates and Exhibits		Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 17.5	Exhibit 6A - VA NSI 17.5 Rate Incr.pdf,	10/20/2020 By: Gary Hulet
<i>Previous Version</i>						
1	Rates and Exhibits	PAL 1, PAL 1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS	Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20		09/05/2019 By: Gary Hulet

Response 2

Comments:

Please see the objection response letter attached under Supporting Documents

Related Objection 2

Applies To:

- Rates and Exhibits, [] (Rate)

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Comments: Line Item 1

- 1) Please list all form numbers under Affected Form Numbers.
- 2) Please update the Previous Filing # to reflect the previously approved filing (USPA-127658444).
- 3) Please confirm if there should be a separate rate sheet for Form PAL-1. The rate sheet only lists PAL-1(02)R.
- 4) Form R-NF - As the nonforfeiture rates are a % of the base and other rider rates, is it the Company's intention that the %'s remain unchanged, with the % applying to the higher underlying rates?
- 5) Please confirm the rates currently billed for the Nonforfeiture rider. The rate sheet included on page 10 of Exhibit 6A shows percentages which are lower than the percentages approved in USPA-127658444.
- 6) The rate sheet included on page 10 lists R-NF and R-QNF rates. Please explain. R-QNF is not listed as a form number in this filing.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 03-12-2021
Comments:	
Attachment(s):	VA Objection Response 03-12-2021.pdf

No Form Schedule items changed.

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:

VA 2019 NSI RATE INCREASE

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Rates and Exhibits	PAL-1, PAL-1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS	Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 17.5	Exhibit 6A - Proposed Rates.pdf,	03/23/2021 By: Gary Hulet
<i>Previous Version</i>						
1	<i>Rates and Exhibits</i>		<i>Revised</i>	<i>Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 17.5</i>	<i>Exhibit 6A - VA NSI 17.5 Rate Incr.pdf,</i>	<i>10/20/2020 By: Gary Hulet</i>
<i>Previous Version</i>						
1	<i>Rates and Exhibits</i>	<i>PAL 1, PAL 1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS</i>	<i>Revised</i>	<i>Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20</i>		<i>09/05/2019 By: Gary Hulet</i>

Response 3**Comments:**

Please see the objection response letter attached under Supporting Documents

Related Objection 3

Applies To:

- PAL Policy Form Series Rates, [] (Rate)
- LIR Rider Rates, [] (Rate)
- HCS Rider Rates, [] (Rate)
- NF Rider Rates, [] (Rate)
- DVH Rider Rates, [] (Rate)

Comments: It appears the rate sheet attached to Line Item 1 is intended to replace lines 2 -6. If so, please remove the rate sheets attached to lines 2 - 6.

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 03-12-2021
Comments:	
Attachment(s):	VA Objection Response 03-12-2021.pdf

No Form Schedule items changed.

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:

VA 2019 NSI RATE INCREASE

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	VA asked for removal of past rates		Revised	Previous State Filing Number: Percent Rate Change Request:		03/23/2021 By: Gary Hulet
Previous Version						
1	PAL Policy Form Series Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	PAL 1 Set 1.pdf, PAL 1 Set 2.pdf, PAL 1 Set 3.pdf,	05/05/2020 By: Gary Hulet
Previous Version						
1	PAL Policy Form Series Rates	PAL-1, PAL-1(02)R	Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20	PAL Set 1.pdf, PAL Set 2.pdf, PAL Set 3.pdf,	09/05/2019 By: Gary Hulet
2	VA asked for removal of past rates		Revised	Previous State Filing Number: Percent Rate Change Request:		03/23/2021 By: Gary Hulet
Previous Version						
2	LIR Rider Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	LIR4 Set 1.pdf, LIR4 Set 2.pdf, LIR4 Set 3.pdf,	05/05/2020 By: Gary Hulet
Previous Version						
2	LIR Rider Rates	R-LIR-4	Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change	LIR Set 1.pdf, LIR Set 2.pdf, LIR Set 3.pdf,	09/05/2019 By: Gary Hulet

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:

VA 2019 NSI RATE INCREASE

State: Virginia

Filing Company:

United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Rate/Rule Schedule Item Changes

				<i>Request:</i> 20		
3	VA asked for removal of past rates		Revised	Previous State Filing Number: Percent Rate Change Request:		03/23/2021 By: Gary Hulet
<i>Previous Version</i>						
3	HCS Rider Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	HCS Set 1.pdf, HCS Set 2.pdf, HCS Set 3.pdf,	05/05/2020 By: Gary Hulet
<i>Previous Version</i>						
3	HCS Rider Rates	R-HCS	Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20	HCS Set 1.pdf, HCS Set 2.pdf, HCS Set 3.pdf,	09/05/2019 By: Gary Hulet
4	VA asked for removal of past rates		Revised	Previous State Filing Number: Percent Rate Change Request:		03/23/2021 By: Gary Hulet
<i>Previous Version</i>						
4	NF Rider Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	NF Rates.pdf,	05/05/2020 By: Gary Hulet
<i>Previous Version</i>						
4	NF Rider Rates	R-NF	Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20	NF Rates.pdf,	09/05/2019 By: Gary Hulet
5	VA asked for removal of past rates		Revised	Previous State Filing Number:		03/23/2021 By: Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Rate/Rule Schedule Item Changes						
				Percent Rate Change Request:		
<i>Previous Version</i>						
5	DVH Rider Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	DVH Set 1.pdf, DVH Set 2.pdf, DVH Set 3.pdf,	05/05/2020 By: Gary Hulet
<i>Previous Version</i>						
5	DVH Rider Rates	R-DVH-2, R-DVH-3	Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20	DVH Set 1.pdf, DVH Set 2.pdf, DVH Set 3.pdf,	09/05/2019 By: Gary Hulet

Response 4

Comments:

Please see the objection response letter attached under Supporting Documents

Related Objection 4

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- VA Objection Response 10-29-2020 (Supporting Document)

Comments: Please update the version of the Actuarial Memorandum attached under the L&H Actuarial Memorandum heading to be the revised version reflecting the 17.5% increase (currently attached under the VA Objection Response 10-29-2020.)

Changed Items:

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo v2.pdf New VA Narrative.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>NSI 2019 VA Rate Increase Memo.pdf Virginia Narrative.pdf</i>

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo v2.pdf New VA Narrative.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>NSI 2019 VA Rate Increase Memo.pdf Virginia Narrative.pdf</i>

Satisfied - Item:	VA Objection Response 03-12-2021
Comments:	
Attachment(s):	VA Objection Response 03-12-2021.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments:

Please see the objection response letter attached under Supporting Documents

Related Objection 5

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: 1) Please update the Rate Request Summary to include all applicable form numbers.

2) Please attach the updated version under the heading Long Term Care Rate Request Summary and remove the previous version.

3) The narrative attached to the Rate Request Summary is intended to be high level and in very consumer friendly language. It currently contains references and terminology which may not be clear to individuals with little to no insurance experience. Please revise the narrative to be in consumer friendly language.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 03-12-2021
Comments:	
Attachment(s):	VA Objection Response 03-12-2021.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 03-12-2021
Comments:	
Attachment(s):	VA Objection Response 03-12-2021.pdf

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum 4.pdf

Previous Version	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum 1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

SERFF Tracking #:	USPA-132069185	State Tracking #:	USPA-132069185	Company Tracking #:	VA 2019 NSI RATE INCREASE
<hr/>					
State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania		
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified				
Product Name:	2019 NSI Rate Increase - VA				
Project Name/Number:	/				

Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	01/13/2021
Submitted Date	01/13/2021

Dear Greg Smith,

Introduction:

Response 1

Comments:

The letters have been removed.

Related Objection 1

Applies To:

- Policyholder Letter, VA NSI LTR 2019 (Form)

Comments: Please advise if the Company's intends to use the policyholder notification templates currently being reviewed in USPA-131712591 for this filing. If so, please remove the notification forms from the Form Schedule tab. When the forms are approved under USPA-131712591, attach copies of the approved forms and the accompanying statements of variability under Supporting Documentation.

Changed Items:

No Supporting Documents changed.

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Form Schedule Item Changes								
Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	Policyholder Letter	VA NSI LTR 2019	OTH	Initial				Date Submitted: 01/13/2021 By: Gary Hulet
<i>Previous Version</i>								
1	<i>Policyholder Letter</i>	<i>VA NSI LTR 2019</i>	<i>OTH</i>	<i>Initial</i>			<i>VA 1st Policyholder Letter.pdf, VA 2nd Policyholder Letter.pdf, VA 3rd Policyholder Letter.pdf</i>	<i>Date Submitted: 09/05/2019 By: Gary Hulet</i>

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/04/2020
Submitted Date	11/04/2020

Dear Greg Smith,

Introduction:

Response 1

Comments:

I have updated and attached the actuarial memorandum and related exhibits. The updated Exhibit 6 rate table was previously submitted. (Note: there is no Exhibit 5)

Related Objection 1

Comments: In accordance with acceptance of a 17.5% rate adjustment (Note to Reviewer, 10/19/2020), please update the filing with the Projected Lifetime Loss Ratio, and any other pertinent data within the Actuarial Memo and relevant documents.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 10-29-2020
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo.pdf VA Exhibits 2020.xlsx

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/20/2020
Submitted Date	10/20/2020

Dear Greg Smith,

Introduction:

Response 1

Comments:

Attached are the new rates and a revised Rate Request Summary for the 17.5% rate increase.

Related Objection 1

Comments: Please revise the Rate Request Summary to accommodate the revised increase.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 10-20-2020
Comments:	
Attachment(s):	ltcratereq_sum Revised.pdf

No Form Schedule items changed.

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:

VA 2019 NSI RATE INCREASE

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Rates and Exhibits		Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 17.5	Exhibit 6A - VA NSI 17.5 Rate Incr.pdf,	10/20/2020 By: Gary Hulet
<i>Previous Version</i>						
1	<i>Rates and Exhibits</i>	<i>PAL 1, PAL 1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS</i>	<i>Revised</i>	<i>Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20</i>		<i>09/05/2019 By: Gary Hulet</i>

Conclusion:

Sincerely,
Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/05/2020
Submitted Date	05/05/2020

Dear Greg Smith,

Introduction:

Response 1

Comments:

Please see the response letter and Excel files attached under Supporting Documents.

Related Objection 1

Comments: Please see attachment in Note to Filer for the description of rating methods requested.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 09172019
Comments:	
Attachment(s):	ltcratereq_sum 2.pdf PH Ltr SOV.pdf PCE-U-SOV-9-11 rev_ 04_13_15.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 09172019
Comments:	
Attachment(s):	ltcratereq_sum 2.pdf PH Ltr SOV.pdf PCE-U-SOV-9-11 rev_ 04_13_15.pdf

Satisfied - Item:	VA Objection Response 04062020
Comments:	
Attachment(s):	VA Objection Response 04-06-2020.pdf PPV NSI Test.xlsx If-Knew Blend NSI Exh 3.xlsx

SERFF Tracking #:	USPA-132069185	State Tracking #:	USPA-132069185	Company Tracking #:	VA 2019 NSI RATE INCREASE
<hr/>					
State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania		
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified				
Product Name:	2019 NSI Rate Increase - VA				
Project Name/Number:	/				

No Form Schedule items changed.

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:

VA 2019 NSI RATE INCREASE

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	PAL Policy Form Series Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	PAL1 Set 1.pdf, PAL1 Set 2.pdf, PAL1 Set 3.pdf,	05/05/2020 By: Gary Hulet
<i>Previous Version</i>						
1	<i>PAL Policy Form Series Rates</i>	<i>PAL-1, PAL-1(02)R</i>	<i>Revised</i>	<i>Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20</i>	<i>PAL Set 1.pdf, PAL Set 2.pdf, PAL Set 3.pdf,</i>	<i>09/05/2019 By: Gary Hulet</i>
2	LIR Rider Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	LIR4 Set 1.pdf, LIR4 Set 2.pdf, LIR4 Set 3.pdf,	05/05/2020 By: Gary Hulet
<i>Previous Version</i>						
2	<i>LIR Rider Rates</i>	<i>R-LIR-4</i>	<i>Revised</i>	<i>Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20</i>	<i>LIR Set 1.pdf, LIR Set 2.pdf, LIR Set 3.pdf,</i>	<i>09/05/2019 By: Gary Hulet</i>
3	HCS Rider Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	HCS Set 1.pdf, HCS Set 2.pdf, HCS Set 3.pdf,	05/05/2020 By: Gary Hulet
<i>Previous Version</i>						
3	<i>HCS Rider Rates</i>	<i>R-HCS</i>	<i>Revised</i>	<i>Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20</i>	<i>HCS Set 1.pdf, HCS Set 2.pdf, HCS Set 3.pdf,</i>	<i>09/05/2019 By: Gary Hulet</i>

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:

VA 2019 NSI RATE INCREASE

State: Virginia

Filing Company: United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Rate/Rule Schedule Item Changes

				Request: 20		
4	NF Rider Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	NF Rates.pdf,	05/05/2020 By: Gary Hulet
<i>Previous Version</i>						
4	NF Rider Rates	R-NF	Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20	NF Rates.pdf,	09/05/2019 By: Gary Hulet
5	DVH Rider Rates		Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 15	DVH Set 1.pdf, DVH Set 2.pdf, DVH Set 3.pdf,	05/05/2020 By: Gary Hulet
<i>Previous Version</i>						
5	DVH Rider Rates	R-DVH-2, R-DVH-3	Revised	Previous State Filing Number: USPA-129878540 Percent Rate Change Request: 20	DVH Set 1.pdf, DVH Set 2.pdf, DVH Set 3.pdf,	09/05/2019 By: Gary Hulet

Conclusion:

Sincerely,
Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/03/2020
Submitted Date	03/03/2020

Dear Greg Smith,

Introduction:

Response 1

Comments:

I have submitted LTC rate increase filings in both Texas (still pending) and Minnesota (approved 7 months ago) but do not know what your reference to 'Texas Method' and 'Minnesota Method' means. Neither state (TX or MN) has required anything materially different from what has been provided to VA.

Please provide details and examples of what the Texas Method and the Minnesota Method are and I will attempt to satisfy your request.

I submitted a note to reviewer on Feb. 10, 2020 asking for additional details so I can provide the requested projections, but there has been no response from VA.

At the conclusion of my response to your prior objection, I requested additional details of the TX and MN 'methods' so I can respond to this request, but have had no response from VA.

If VA will provide sufficient information, details, and examples for these 'methods', I will provide the requested projections, but I need to know more about what is wanted.

Related Objection 1

Applies To:

- Rates and Exhibits, [PAL1, PAL1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS] (Rate)
- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections necessary to evaluate the requests based on both the Prospective Present Value Approach (or Texas Method) and the "If-Knew/Makeup Blend" approach (or Minnesota Method).

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/18/2020
Submitted Date	02/18/2020

Dear Greg Smith,

Introduction:

Response 1

Comments:

Please see reponse letter and data files submitted under Supporting Documents.

Related Objection 1

Comments: Since we use the original pricing projection in our analysis (a direct dollar-based comparison with the current and proposed projections), the data in Exhibit 2 does not provide enough detail. While we understand that there may be some difficulty due to loss of data at the acquisition of the business, we ask that the Company recreate a calendar year projection of earned premiums and incurred claims that the actual cohort of policies sold would have experienced using the original premium scale and original mortality, lapse, and morbidity assumptions. In other words, what would have occurred if the original assumptions had played out exactly as anticipated, with the exception of the assumed business mix.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA Objection Response 01232020
Comments:	
Attachment(s):	VA Objection Response 01-23-2020.pdf Original Projection.pdf Exhibits on VA Prem Basis.pdf Historical Rate Increase Data.xlsx

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Please see reponse letter and data files submitted under Supporting Documents.

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Related Objection 2

Comments: Please advise whether the nationwide earned premiums have been recomputed assuming both the prior and requested rate increases in Virginia had been used nationwide. Revise projections as appropriate.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

Please see reponse letter and data files submitted under Supporting Documents.

Related Objection 3

Comments: Please provide the nationwide active life reserves as of the projection date.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

Please see reponse letter and data files submitted under Supporting Documents.

Related Objection 4

Comments: Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking #:

USPA-132069185

State Tracking #:

USPA-132069185

Company Tracking #:

VA 2019 NSI RATE INCREASE

State:

Virginia

Filing Company:

United Security Assurance Company of Pennsylvania

TOI/Sub-TOI:

LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name:

2019 NSI Rate Increase - VA

Project Name/Number:

/

No Rate/Rule Schedule items changed.

Response 5

Comments:

Please see reponse letter and data files submitted under Supporting Documents.

Related Objection 5

Comments: Please update the Average Annual Premium Per Member in the Part 1 to reflect the average annual premium after the increase for Virginia policies.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Gary Hulet

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/02/2019
Submitted Date	12/02/2019

Dear Greg Smith,

Introduction:

Response 1

Comments:

I do not know if the Average Annual Premium Per Member in the Summary Part 1 is supposed to be before or after the rate increase and I do not find any information describing which it should be in any of the instructions provided. The amount I have provided, \$2,115, is before the rate increase. As specified in Section 18 of the Actuarial Memorandum, the average VA premium is \$2,115 whereas the national average premium is \$3,373 (59% higher). After the requested rate increases, the average VA premium is expected to be \$4,953.

Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: On the LTCI Rate Request Summary Part 1, is the Average Annual Premium Per Member supposed to be before or after the rate increase?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Gary Hulet

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/24/2019
Submitted Date	09/24/2019

Dear Greg Smith,

Introduction:

Response 1

Comments:

We have requested a series of 3 annual rate increases of 32.8% each. Please note that $1.328^3 - 1 = 1.342$, or 134.20%. The results of the 3 annual rate increases are shown in Exhibit 5C: a future discounted loss ratio of 99.1% and a lifetime loss ratio of 68.7%. As the request is to apply this series of increases to all in force premium paying policies, the 134.20% applies as both the minimum and maximum % change.

The actuarially equivalent rate change is the amount of premium increase required in 1 year (one-time) to produce the same interest discounted future and lifetime loss ratios. A one-time rate increase of 109.645% produces a future discounted loss ratio of 99.1% and a lifetime loss ratio of 68.7%, as shown in Exhibit 4.

Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please reconcile the following stated rate increase amounts:

- Rate/Rule Schedule: Minimum and Maximum % Change, 134.200%
- Rate Request Summary: Actuarial equivalent rate change, 109.645%

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

There are currently 7 policies in force in the State of Virginia of the PAL1 series. One of the policies was issued prior to 10/1/2003 and the other 6 were issued after that date. As noted in previous correspondence, National States Insurance Company (NSI), the issuing company of this business, did not provide detailed information at a level that we can provide all of the required details of 14VAC5-130-70 B for the 1 policy in force issued prior to 10/1/2003. The majority of the information required by 14VAC5-130-70 B is provided in the Actuarial Memorandum submitted on 3/14/2019, on a combined basis for all 7 policies.

On a national basis, 294 policies of the 1,058 in force premium-paying policies were issued prior to 10/1/2003 (27.8%). As this block of policies combined barely provides credible experience, 27.8% of them are totally non-credible. I don't comprehend what conclusions you can draw from non-credible experience (even if we did have the data to split the experience). If you could provide the rationale of how you would use such a small sampling of the experience and what conclusions might be drawn from such a non-credible splitting, we could attempt to come up with estimates to approximate the split experience.

As stated in 4th paragraph of Section 14 of the Actuarial Memorandum, Rate Stabilization model requirements allow for a much smaller rate increase than the Loss Ratio requirements. Therefore this filing was constructed as if all policies were under the more conservative Rate Stabilization requirements.

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- Rates and Exhibits (Supporting Document)

Comments: Please confirm if this filing applies to both Pre and Post Stability blocks. If so,

In order to determine compliance for policies issued prior to 10/1/2003 as set forth in 14VAC5-200-150, and those issued on or after 10/1/2003 as set forth in 14VAC5-200-153, please break-out the number of policies accordingly as well as providing separate exhibits illustrating experience and projections.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

The Rate Sheets have been corrected to show the applicable form numbers as requested. These are provided under Supporting Documents.

Related Objection 3

Applies To:

- Rates and Exhibits, [PAL 1, PAL1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS] (Rate)
- PAL Policy Form Series Rates, [PAL-1, PAL-1(02)R] (Rate)
- LIR Rider Rates, [R-LIR-4] (Rate)

Comments: Applicable Form numbers must appear on their respective Rate Sheet(s).

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified
Product Name: 2019 NSI Rate Increase - VA
Project Name/Number: /

No Rate/Rule Schedule items changed.

Response 4

Comments:

The beginning current rates used as the basis for computing the new increased rates are those which were approved in the 2013 filing (USPA-127658444) Exhibit 4.

Related Objection 4

Comments: As the previous filing shown in the Rate/Rule Schedule was Closed-Disapproved on 7/13/2015 (USPA-129878540), please confirm that the rates currently used are unchanged from those approved in the filing prior (USPA-127658444).

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments:

This has been revised as requested in a post-submission update.

Related Objection 5

Comments: Rate/Rule Schedule, Rate Action Information:

As the previous filing (USPA-129878540) was disapproved and the requested 20% adjustment was never applied, these fields should reflect the previous filing that was approved (USPA-127658444) along with the adjustment requested in this filing for each form. For example, if each form has a requested increase of 134.20% in this filing, then that should be reflected by each form entry. Please revise with a post-submission update..

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6

Comments:

Sorry for the error on Set 3. The non-sequential error on the rate sheets has been corrected. Please see the resubmitted rate sheets.

Related Objection 6

Applies To:

- PAL Policy Form Series Rates, [PAL-1, PAL-1(02)R] (Rate)
- LIR Rider Rates, [R-LIR-4] (Rate)

Comments: We note what appears to be non-sequential rates on the rate sheets. Ex: PAL Set 1, PAL Set 2, PAL Set 3 The rates on Exhibit PAL Set 1, Exhibit 6A are the same as on PAL Set 3, Exhibit 6C. Please confirm accuracy on all rate sheets.

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified
Product Name: 2019 NSI Rate Increase - VA
Project Name/Number: /

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 7**Comments:**

As it took 16 months for that rate increase to be approved (the longest time period of all rate increase requests made during that 2011-2012 cycle), and USPA-127658444 was considered part of the 2011-2012 rate increase cycle, 2012 was mistakenly put in the Prior Rate Increases column of the ltrcreq_sum_1.pdf. This has been corrected to show 2013.

Related Objection 7

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The Prior Rate Increases - Date is not consistent with the Effective Date of Last Rate Revision field in the Rate/Rule Schedule. Please resolve.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 8**Comments:**

USPA-127712645 on October 18, 2011.

Related Objection 8

Applies To:

- Policy Change Endorsement PCE-U (NSI) (Supporting Document)

Comments: Please provide the SERFF tracking # where the Policy Change Endorsement was approved.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 9**Comments:**

Policy Change Endorsement PCE-U Please see the attached SOV which was filed and approved with the Form PCE-U. VA NSI LTR 2019, Other, Policyholder Letter Please see PH Ltr SOV.pdf accompanying this response.

Related Objection 9

Applies To:

- Policyholder Letter, VA NSI LTR 2019 (Form)

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified

Product Name: 2019 NSI Rate Increase - VA

Project Name/Number: /

- Policy Change Endorsement PCE-U (NSI) (Supporting Document)

Comments: Please provide a Statement of Variability (SOV) for referenced forms.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

I trust you will be able to find all of the changes and/or attachments I have made with this objection response as I was unable to construct this response in the same manner I have been using with other states. Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,
Gary Hulet

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Note To Reviewer

Created By:

Gary Hulet on 10/19/2020 02:55 PM

Last Edited By:

Colleen Moore

Submitted On:

04/08/2021 02:02 PM

Subject:

17.5% Rate Increase

Comments:

The Company accepts the VA BOI offer of a 1-time 17.5% rate increase on this block of NSI issued policies. I have submitted revised rates under the Rate/Rule Tab and have submitted a Post-submission update for this amount of rate increase. Please let me know if anything else is needed.

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Reviewer Note

Created By:

Colleen Moore on 06/11/2021 08:37 AM

Last Edited By:

Greg Smith

Submitted On:

06/21/2021 10:29 AM

Subject:

RRS

Comments:

Rate Review Summary

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Company Name and NAIC Number:

United Security Assurance Company of Pennsylvania NAIC 42129

SERFF Tracking Number:

USPA-132069185

Revised Rates

Average Annual Premium Per Member:

\$2,115

Average Requested Percentage Rate Change Per Member:

17.5%

Range of Requested Rate Changes:

17.5%

Number of Virginia Policyholders Affected:

7

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
PAL-1	Long Term Care base policy	1998-2009	2013 - 15%	Future rate increases are likely
PAL-1(02)R	Long Term Care base policy	1998-2009	2013 - 15%	Future rate increases are likely
R-DVH-2	Dental, Vision, Hearing rider	1998-2009	2013 - 15%	Future rate increases are likely
R-DVH-3	Dental, Vision, Hearing rider	1998-2009	2013 - 15%	Future rate increases are likely
R-LIR-4	Inflation rider	1998-2009	2013 - 15%	Future rate increases are likely
R-NF	Non-Forfeiture rider	1998-2009	2013 - 15%	Future rate increases are likely
R-HCS	Home Health Care rider	1998-2009	2013 - 15%	Future rate increases are likely

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

(Rev. 06/19)

These policy forms were sold by National States Insurance Company (NSIC) from 1999 to 2009. NSIC was closed by Missouri in 2010. The policies were assumed by United Security Assurance Company (the Company) in 2009 and 2010. During the 8 years since accepting this business, claims have been worse than expected. This bad experience is consistent with the Society of Actuaries LTC studies of 2001, 2004, and 2007 which show a large increase in claims for persons over age 75 compared to earlier studies (1999 and prior).

The original expected losses for this business (provided by NSIC) were 57.3%. The current expected losses without this rate increase are expected to be 79.0%. To balance the needs of the Company and the financial stress created on policy owners by rate increases, the Company is requesting a rate increase of 17.5% at this time.

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Reviewer Note

Created By:

Greg Smith on 03/15/2021 12:25 PM

Last Edited By:

Greg Smith

Submitted On:

06/21/2021 10:35 AM

Subject:

Actuary Report

Comments:

Actuary Report

JOHN T. CONDO, FSA, MAAA, PHD
ROBERT B. CROMPTON, FSA, MAAA
DAVID E. NEVE, FSA, MAAA, CERA
CANDE OLSEN, FSA, MAAA, CLU



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SHAWN D. PARKS, FSA, MAAA
NAZNEE RIAS, FSA, MAAA, CERA
NICOLE L. RUSSO, ASA, MAAA
LORNE W. SCHINBEIN, FSA, MAAA

July 3, 2020

Life and Health Division
Bureau of Insurance
State Corporation Commission
P. O. Box 1157
Richmond, VA 23218

Subject: **SERFF Tracking #USPA-132069185**

At the request of the Virginia SCC Bureau of Insurance (the “Bureau”), I have reviewed the filing for the above captioned submission from **United Security Assurance Company of Pennsylvania** (the “Company”). This is a rate increase filing for a block of Long Term Care Insurance.

Recommendation

My review of this filing was performed according to the provisions of 14VAC5-200-150 and 14VAC5-200-153. Applicable Actuarial Standards of Practice were considered, including Actuarial Standard of Practice No. 18, “Long-Term Care Insurance” and Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”. After review of the Company’s submission, I believe that the Company has demonstrated that the request is in compliance with all applicable regulations. From a purely actuarial basis, the requested increases are justified, however, the Bureau may wish to reflect on the following considerations in making a final decision.

Other Considerations:

- Since over 94% of anticipated premium has already been collected, the loss ratio is very insensitive to future rate increases, which allows very high rate increases to comply with the regulations. The Company estimates that a 199% rate increase would be justified under the regulations.
- The average attained age of the policies in Virginia is 86.
- There are only 7 policies remaining in Virginia with current annual premiums of \$14,803. If the full requested increase is approved, the projected present value of the additional premiums collected from the Virginia policies will be approximately \$112,000. This will have almost no impact on the Company’s financial position, but will have significant impact for those 7 policyholders, increasing their average premium from about \$2,100 to almost \$5,000 per year.
- The PPV Approach would limit the allowable increase to 17.5%, but I believe that there are nuances to this method that the Company did not use which may produce a higher result.
- Virginia is at the low end on approved increases versus the other states with only 15% prior cumulative increase vs. the nationwide average of 267%.



Historical Background

The forms were originally issued from 1999-2009 by National States Insurance Company. The business was assumed by Company in 2009 and has led to some issues in producing data related to the original pricing of these forms. As a result, the Company is unable to divide the projections into those issued prior to 10/1/2003 and those after, so we have analyzed using both the pre-rate stability rules of 14VAC5-130-150 and the post-rate stability rules of 14VAC5-200-153. One previous increase of 15% was approved in 2013. The Company is now requesting an increase of 134.2% phased in over three years at 32.8% per year.

As of 12/31/2018, there were only 7 policyholders in force in Virginia with annual premium of \$14,803. This represents approximately 0.4% of the total nationwide premium. Six of those policies were issued after 10/1/2003.

In the course of my review, requests were sent to the Company for additional information. The Company's responses helped to clarify some issues raised in my review. The Bureau was involved in all correspondence with the Company.

Methodology

My approach was to a) review the submitted filing materials, b) check the filing contents and assumptions for compliance with all relevant regulations, c) verify the calculations in the supplied exhibits, d) review the projections for reasonableness, and e) analyze the current increase and cumulative increase in Virginia relative to other states.

Assumptions

Morbidity – The original morbidity assumptions were derived from “early SOA and NCHS studies” and then adjusted to reflect certain policy characteristics and underwriting. The current assumptions are derived by applying factors to the original morbidity based on the actual experience of 2010 through 2018.

One basis for measuring credibility is the formula recommended by the American Academy of Actuaries (“AAA”) in a Long-term Care Credibility Monograph issued in August 2016. Under the formula recommended, 3,246 claims are needed for full LTCI data credibility. The standard is applied to cumulative historical experience to determine the credibility of the block. Due to the small size of this block, it is not likely to ever achieve full credibility.

Mortality – 1994 Group Annuitant Mortality Table; original assumptions were based on the 1983 GAM.

Voluntary Lapse – The lapse assumptions vary by issue year, 4% for policies issued prior to 2007 and 2% for policies issued in 2007 and later. The original ultimate lapse rate assumption was 4.0% for all policies.



The Company provided the following A/E result for total terminations (mortality plus voluntary lapse) for the period 2011-2018:

Lapse Study Year	Actual Total Term Rate	Expected Total Term Rate	Actual Less Expected
2011	12.0%	9.2%	2.8%
2012	5.9%	9.5%	-3.7%
2013	10.2%	9.6%	0.7%
2014	13.3%	9.8%	3.4%
2015	11.9%	10.0%	1.9%
2016	14.8%	10.3%	4.5%
2017	16.4%	10.4%	6.0%
2018	15.3%	10.4%	4.9%
Average	11.7%	9.8%	1.9%

Since this is a small block, there is considerable variation in the results, but I believe a 2% assumption for lapse is conservative.

Interest – the Company is using a rate of 4.35% as the approximate weighted average valuation interest rate.

Projections

The Company has provided nationwide loss ratio projections as of 12/31/2018. The original loss ratio was only specified as being “in excess of 60%”. The data provided in the February 18, 2020 response results in an original loss ratio for the actual issued policies at 4.35% of 60.6%.

Original Pricing LR	Lifetime Loss Ratio		Future Loss Ratio w/ALR	
	Before Incr	With Increase	Before Incr	With Increase
60.6%	92.1%	86.8%	359%	170%

Dual Loss Ratio Measures

60.6/80 Minimum Claims	60.6/85 Minimum Claims	Projected Incurred Claims	Pass/Fail
114.3 M	115.0 M	159.3 M	PASS

The increase is in compliance with both the 60/80 Test and the 58/85 Test.

PV of Future Loss Test

The goal of this test is to ensure that, when looking only into the future, the company is not in a better position financially than if the assumptions were to play out according to original assumptions (except for interest). This is done by calculating the present value of the future expected loss under original assumptions and comparing that to the current assumptions with and



without the proposed premium action. For this filing, the loss is greater under the current assumptions than original assumptions, so this test would not limit the increase.

Scenario	PV Future Loss
Original	-2.1 M
No Incr	-35.9 M
W/ Incr	-28.9 M

Prospective PV Approach

The Company's demonstration shows that a rate increase of 17.5% would be allowed under this methodology. I believe that the Company's projections looked only at the change in assumptions since the last increase request without any allowance for the fact that the Bureau has only approved one increase on this block, so it is possible that the allowable amount under this method could be higher.

If-Knew/Makeup Blend Approach

The Company's demonstration shows that a rate increase of 309.8% would be allowed under this methodology.

State Rate Equity

The cumulative average rate increase in Virginia is currently 15% and would be 169% if this increase is approved. The Company reports the average nationwide increases are 267%, so Virginia's rates are far below the national average.

Reliance and Qualifications

I am providing this letter to the Bureau as the sole intended user. The scope of the review relates only to compliance with applicable laws and regulations relating to the actuarial aspects of the filing under consideration, and the intended purpose is to communicate my findings regarding this filing. Distribution of this letter to parties other than the Bureau by me or any other party does not constitute advice by me to those parties. The reliance of parties other than the Bureau on any aspect of this work is not authorized by me and is done at their own risk.

In arriving at my opinion, I used and relied on information provided by the Company and the Bureau without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, my findings and conclusions may need to be revised. While I have relied on the data provided without independent investigation or verification, I have reviewed the data for consistency and reasonableness. In the event that I found the data inconsistent or unreasonable, I have requested clarification.



I am a member of the American Academy of Actuaries and meet that body's Qualification Standards to render this opinion. I am responsible for this work and have utilized generally accepted actuarial methodologies in arriving at my opinion.

If you have any questions regarding this filing, please contact me to discuss.

Sincerely,

Shawn D. Parks, FSA, MAAA

State: Virginia **Filing Company:** United Security Assurance Company of Pennsylvania
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified
Product Name: 2019 NSI Rate Increase - VA
Project Name/Number: /

Post Submission Update Request Processed On 06/19/2021

Status: Allowed
Created By: Gary Hulet
Processed By: Colleen Moore
Comments:

Company Rate Information:

Company Name:United Security Assurance Company of Pennsylvania

Field Name	Requested Change	Prior Value
Written Premium Change for this Program	\$1001	\$2591
Number of Policy Holders Affected for this Program	3	7
Written Premium for this Program	\$5715	\$14803

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	15.000%
Effective Date of Last Rate Revision:	01/17/2013
Filing Method of Last Filing:	SERFF
SERFF Tracking Number of Last Filing:	USPA-127658444

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
United Security Assurance Company of Pennsylvania	17.500%	17.500%	\$1,001	3	\$5,715	17.500%	17.500%

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rates and Exhibits	PAL-1, PAL-1(02)R, R-DVH-2, R-DVH-3, R-LIR-4, R-NF, R-HCS	Revised	Previous State Filing Number: USPA-127658444 Percent Rate Change Request: 17.5	Exhibit 6A - Proposed Rates.pdf,

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 PAL Policy Form Series: PAL-1, PAL-1(02)R
 PAL Rates - 0 Day EP
 \$10 Daily Benefit

Class AA						Class A				
<u>Age</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	8.23	11.75	15.28	17.63	18.80	10.58	17.63	23.50	27.03	29.38
50	11.75	19.98	25.85	29.38	34.08	18.80	29.38	37.60	44.65	50.53
55	19.98	30.55	38.78	45.83	51.70	29.38	45.83	59.93	69.33	75.20
60	29.38	45.83	59.93	69.33	75.20	44.65	70.50	89.30	102.23	113.98
65	41.13	63.45	81.08	95.18	104.58	59.93	96.35	122.20	142.18	156.28
66	43.48	70.50	89.30	104.58	115.15	65.80	104.58	133.95	155.10	171.55
67	47.00	75.20	96.35	111.63	124.55	71.68	113.98	144.53	169.20	186.83
68	54.05	86.95	110.45	128.08	142.18	81.08	129.25	164.50	191.53	212.68
69	61.10	97.53	124.55	144.53	159.80	91.65	145.70	186.83	216.20	239.70
70	68.15	108.10	138.65	160.98	178.60	101.05	162.15	207.98	242.05	267.90
71	74.03	118.68	152.75	177.43	196.23	111.63	178.60	227.95	266.73	294.93
72	81.08	129.25	165.68	192.70	213.85	122.20	195.05	250.28	290.23	321.95
73	92.83	149.23	189.18	219.73	244.40	138.65	223.25	285.53	331.35	366.60
74	104.58	165.68	213.85	249.10	273.78	156.28	250.28	320.78	371.30	411.25
75	116.33	188.00	242.05	280.83	312.55	173.90	280.83	361.90	421.83	467.65
76	128.08	206.80	264.38	309.03	341.93	191.53	309.03	397.15	462.95	513.48
77	138.65	225.60	289.05	338.40	372.48	209.15	338.40	433.58	505.25	559.30
78	160.98	259.68	332.53	387.75	428.88	240.88	387.75	498.20	581.63	641.55
79	180.95	293.75	376.00	438.28	482.93	271.43	439.45	564.00	656.83	723.80
80	206.80	338.40	435.93	511.13	566.35	309.03	505.25	654.48	766.10	848.35
81	227.95	371.30	480.58	564.00	623.93	341.93	558.13	721.45	844.83	935.30
82	249.10	406.55	525.23	614.53	681.50	374.83	611.00	789.60	922.38	1,023.43
83	276.13	450.03	579.28	676.80	749.65	413.60	674.45	868.33	1,016.38	1,124.48
84	300.80	492.33	633.33	739.08	817.80	452.38	737.90	949.40	1,109.20	1,225.53
85	336.05	555.78	720.28	844.83	937.65	504.08	831.90	1,081.00	1,267.83	1,405.30
86	363.08	598.08				544.03	898.88			
87	390.10	642.73				585.15	964.68			
88	420.65	690.90				630.98	1,036.35			
89	451.20	739.08				676.80	1,108.03			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 PAL Policy Form Series: PAL-1, PAL-1(02)R

PAL Rates - 20 Day EP
 \$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	7.05	10.58	15.28	16.45	18.80	10.58	16.45	21.15	24.68	28.20
50	11.75	18.80	24.68	28.20	30.55	17.63	28.20	36.43	42.30	47.00
55	17.63	28.20	36.43	43.48	48.18	27.03	43.48	55.23	64.63	71.68
60	27.03	43.48	55.23	64.63	71.68	41.13	64.63	83.43	97.53	108.10
65	36.43	59.93	77.55	89.30	98.70	55.23	89.30	115.15	133.95	149.23
66	41.13	64.63	83.43	97.53	108.10	61.10	97.53	125.73	145.70	162.15
67	43.48	70.50	90.48	106.93	117.50	65.80	106.93	136.30	159.80	176.25
68	50.53	81.08	104.58	122.20	133.95	74.03	122.20	155.10	182.13	200.93
69	56.40	90.48	117.50	136.30	151.58	83.43	136.30	176.25	204.45	225.60
70	62.28	101.05	131.60	152.75	169.20	92.83	152.75	196.23	227.95	252.63
71	69.33	111.63	143.35	168.03	185.65	102.23	168.03	215.03	251.45	278.48
72	74.03	122.20	156.28	182.13	203.28	111.63	182.13	235.00	273.78	304.33
73	84.60	138.65	178.60	207.98	231.48	128.08	207.98	267.90	313.73	345.45
74	96.35	156.28	200.93	233.83	259.68	143.35	233.83	300.80	351.33	388.93
75	106.93	176.25	226.78	264.38	294.93	160.98	263.20	340.75	398.33	440.63
76	117.50	192.70	250.28	291.40	323.13	177.43	289.05	374.83	438.28	485.28
77	128.08	210.33	271.43	317.25	352.50	191.53	316.08	407.73	477.05	528.75
78	146.88	242.05	312.55	365.43	404.20	222.08	363.08	468.83	547.55	605.13
79	168.03	273.78	352.50	412.43	455.90	250.28	411.25	529.93	619.23	683.85
80	189.18	314.90	408.90	479.40	532.28	284.35	471.18	613.35	720.28	799.00
81	209.15	347.80	451.20	529.93	587.50	313.73	521.70	676.80	794.30	881.25
82	227.95	379.53	493.50	578.10	641.55	343.10	569.88	740.25	867.15	962.33
83	252.63	419.48	542.85	636.85	705.00	379.53	628.63	814.28	955.28	1,057.50
84	277.30	458.25	593.38	694.43	768.45	415.95	687.38	890.65	1,042.23	1,152.68
85	307.85	515.83	673.28	791.95	880.08	461.78	774.33	1,010.50	1,187.93	1,318.35
86	333.70	558.13				500.55	836.60			
87	358.38	598.08				536.98	897.70			
88	386.58	642.73				578.10	963.50			
89	413.60	686.20				620.40	1,030.48			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 PAL Policy Form Series: PAL-1, PAL-1(02)R
 PAL Rates - 100 Day EP
 \$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	5.88	9.40	10.58	14.10	15.28	8.23	14.10	17.63	19.98	23.50
50	9.40	15.28	18.80	23.50	25.85	14.10	23.50	29.38	35.25	38.78
55	14.10	23.50	29.38	35.25	38.78	19.98	35.25	44.65	52.88	59.93
60	19.98	35.25	44.65	52.88	59.93	30.55	51.70	68.15	79.90	89.30
65	28.20	47.00	62.28	72.85	81.08	42.30	70.50	92.83	109.28	122.20
66	29.38	51.70	68.15	79.90	88.13	45.83	77.55	101.05	118.68	132.78
67	32.90	56.40	72.85	86.95	96.35	50.53	83.43	109.28	129.25	144.53
68	37.60	64.63	83.43	98.70	109.28	56.40	96.35	125.73	146.88	164.50
69	42.30	71.68	95.18	110.45	123.38	63.45	108.10	142.18	165.68	185.65
70	47.00	79.90	105.75	123.38	137.48	70.50	119.85	158.63	185.65	206.80
71	51.70	88.13	115.15	136.30	151.58	77.55	132.78	172.73	204.45	226.78
72	56.40	96.35	125.73	149.23	164.50	84.60	144.53	189.18	223.25	246.75
73	64.63	109.28	143.35	169.20	188.00	96.35	164.50	216.20	253.80	280.83
74	72.85	124.55	162.15	190.35	210.33	108.10	185.65	242.05	285.53	316.08
75	81.08	137.48	182.13	213.85	237.35	119.85	207.98	272.60	321.95	357.20
76	89.30	152.75	199.75	235.00	260.85	132.78	227.95	299.63	352.50	392.45
77	97.53	165.68	217.38	257.33	285.53	144.53	249.10	326.65	385.40	426.53
78	110.45	190.35	250.28	294.93	326.65	165.68	286.70	376.00	441.80	489.98
79	125.73	216.20	282.00	332.53	368.95	189.18	324.30	424.18	498.20	552.25
80	142.18	245.58	324.30	384.23	426.53	213.85	370.13	487.63	575.75	640.38
81	156.28	271.43	358.38	423.00	470.00	235.00	407.73	538.15	635.68	705.00
82	171.55	297.28	392.45	461.78	513.48	257.33	446.50	587.50	693.25	770.80
83	189.18	327.83	431.23	507.60	564.00	284.35	492.33	647.43	762.58	846.00
84	207.98	358.38	470.00	554.60	614.53	311.38	538.15	705.00	830.73	921.20
85	230.30	399.50	528.75	625.10	695.60	343.10	600.43	793.13	937.65	1,043.40
86	246.75	432.40				371.30	647.43			
87	266.73	462.95				398.33	694.43			
88	286.70	495.85				428.88	744.95			
89	305.50	529.93				459.43	794.30			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 PAL Policy Form Series: PAL-1, PAL-1(02)R
 PAL Rates - 180 Day EP
 \$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	3.53	8.23	10.58	11.75	14.10	7.05	11.75	16.45	18.80	19.98
50	8.23	14.10	17.63	21.15	23.50	11.75	19.98	27.03	30.55	35.25
55	11.75	19.98	27.03	32.90	36.43	17.63	30.55	41.13	48.18	54.05
60	17.63	30.55	41.13	48.18	54.05	27.03	45.83	61.10	72.85	81.08
65	24.68	42.30	55.23	65.80	74.03	36.43	63.45	83.43	98.70	110.45
66	27.03	45.83	61.10	72.85	81.08	41.13	70.50	91.65	108.10	122.20
67	28.20	50.53	65.80	78.73	88.13	43.48	75.20	99.88	117.50	131.60
68	32.90	57.58	75.20	89.30	99.88	50.53	86.95	113.98	135.13	150.40
69	37.60	64.63	84.60	101.05	111.63	55.23	97.53	128.08	151.58	169.20
70	41.13	71.68	95.18	111.63	125.73	62.28	108.10	143.35	169.20	188.00
71	44.65	79.90	104.58	123.38	137.48	68.15	118.68	156.28	185.65	206.80
72	50.53	86.95	113.98	135.13	150.40	74.03	129.25	171.55	203.28	225.60
73	56.40	98.70	129.25	153.93	170.38	84.60	149.23	196.23	231.48	257.33
74	63.45	110.45	145.70	172.73	191.53	95.18	165.68	218.55	259.68	287.88
75	70.50	124.55	164.50	195.05	216.20	105.75	186.83	245.58	290.23	324.30
76	77.55	136.30	180.95	213.85	237.35	116.33	205.63	270.25	320.78	354.85
77	84.60	149.23	197.40	232.65	258.50	126.90	223.25	294.93	348.98	387.75
78	97.53	171.55	225.60	266.73	296.10	145.70	257.33	339.58	399.50	444.15
79	109.28	192.70	254.98	300.80	333.70	164.50	290.23	381.88	451.20	501.73
80	124.55	219.73	291.40	345.45	385.40	186.83	330.18	438.28	519.35	578.10
81	136.30	243.23	323.13	380.70	424.18	205.63	365.43	484.10	571.05	636.85
82	150.40	266.73	352.50	415.95	462.95	224.43	398.33	528.75	625.10	694.43
83	164.50	291.40	387.75	458.25	507.60	246.75	439.45	581.63	686.20	762.58
84	180.95	318.43	421.83	498.20	552.25	271.43	479.40	633.33	747.30	829.55
85	198.58	354.85	473.53	559.30	622.75	298.45	532.28	708.53	838.95	934.13
86	215.03	381.88				321.95	574.58			
87	231.48	411.25				345.45	614.53			
88	246.75	439.45				370.13	658.00			
89	263.20	467.65				395.98	701.48			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 LIR Policy Form Series: R-LIR-4
 LIR Rates for PAL Base Policy- 0 Day EP
 \$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	17.63	28.20	37.60	45.83	52.88	27.03	43.48	56.40	68.15	77.55
50	24.68	38.78	51.70	61.10	69.33	35.25	57.58	77.55	91.65	104.58
55	28.20	47.00	62.28	74.03	83.43	43.48	71.68	92.83	110.45	126.90
60	34.08	56.40	74.03	89.30	102.23	50.53	83.43	110.45	133.95	153.93
65	36.43	62.28	82.25	99.88	116.33	55.23	92.83	124.55	150.40	172.73
66	38.78	63.45	84.60	104.58	118.68	56.40	97.53	128.08	156.28	179.78
67	38.78	65.80	89.30	108.10	124.55	59.93	99.88	133.95	162.15	186.83
68	42.30	69.33	91.65	113.98	129.25	62.28	104.58	141.00	170.38	196.23
69	43.48	71.68	96.35	117.50	135.13	63.45	108.10	144.53	177.43	204.45
70	44.65	75.20	101.05	124.55	144.53	65.80	113.98	151.58	186.83	216.20
71	45.83	78.73	105.75	129.25	150.40	68.15	117.50	158.63	192.70	224.43
72	47.00	81.08	109.28	133.95	155.10	70.50	119.85	163.33	200.93	232.65
73	47.00	82.25	113.98	138.65	162.15	71.68	124.55	169.20	209.15	243.23
74	50.53	86.95	117.50	144.53	169.20	74.03	128.08	176.25	217.38	252.63
75	51.70	90.48	124.55	155.10	180.95	77.55	136.30	186.83	232.65	272.60
76	52.88	92.83	128.08	160.98	189.18	78.73	138.65	192.70	242.05	282.00
77	54.05	96.35	132.78	165.68	196.23	81.08	143.35	198.58	250.28	293.75
78	55.23	98.70	137.48	171.55	204.45	82.25	149.23	206.80	259.68	306.68
79	56.40	101.05	142.18	178.60	213.85	84.60	152.75	213.85	267.90	318.43
80	57.58	108.10	153.93	196.23	235.00	88.13	163.33	231.48	294.93	353.68
81	59.93	111.63	159.80	203.28	244.40	90.48	168.03	237.35	305.50	367.78
82	62.28	115.15	163.33	210.33	253.80	91.65	171.55	245.58	316.08	379.53
83	62.28	115.15	168.03	216.20	259.68	91.65	172.73	251.45	323.13	390.10
84	62.28	117.50	170.38	219.73	267.90	92.83	176.25	254.98	330.18	401.85
85	63.45	123.38	180.95	237.35	290.23	96.35	185.65	271.43	357.20	438.28
86	63.45	125.73				97.53	188.00			
87	64.63	126.90				97.53	189.18			
88	63.45	125.73				95.18	188.00			
89	61.10	123.38				91.65	185.65			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 LIR Policy Form Series: R-LIR-4
 LIR Rates for PAL Base Policy- 20 Day EP
 \$10 Daily Benefit

Age	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	16.45	27.03	35.25	43.48	48.18	24.68	41.13	52.88	64.63	72.85
50	21.15	36.43	47.00	56.40	65.80	32.90	54.05	71.68	86.95	98.70
55	27.03	44.65	59.93	70.50	79.90	38.78	65.80	88.13	105.75	119.85
60	30.55	52.88	70.50	83.43	97.53	45.83	78.73	104.58	126.90	144.53
65	34.08	57.58	77.55	95.18	109.28	51.70	88.13	116.33	142.18	163.33
66	35.25	61.10	81.08	98.70	113.98	52.88	90.48	122.20	149.23	170.38
67	36.43	63.45	83.43	101.05	117.50	54.05	92.83	125.73	152.75	177.43
68	37.60	64.63	88.13	106.93	123.38	56.40	97.53	131.60	159.80	183.30
69	38.78	68.15	90.48	110.45	126.90	59.93	101.05	136.30	165.68	192.70
70	41.13	70.50	95.18	116.33	135.13	61.10	104.58	143.35	176.25	204.45
71	42.30	71.68	98.70	122.20	142.18	62.28	108.10	149.23	182.13	212.68
72	43.48	75.20	102.23	126.90	145.70	64.63	111.63	152.75	189.18	218.55
73	44.65	77.55	106.93	131.60	152.75	65.80	116.33	159.80	196.23	230.30
74	45.83	79.90	109.28	136.30	158.63	69.33	119.85	164.50	204.45	237.35
75	47.00	83.43	116.33	145.70	170.38	70.50	125.73	173.90	217.38	257.33
76	48.18	86.95	119.85	150.40	177.43	71.68	131.60	180.95	225.60	264.38
77	50.53	89.30	124.55	156.28	183.30	75.20	133.95	186.83	233.83	276.13
78	51.70	91.65	128.08	162.15	191.53	75.20	137.48	192.70	243.23	287.88
79	51.70	95.18	133.95	168.03	199.75	78.73	142.18	199.75	251.45	298.45
80	54.05	99.88	143.35	183.30	219.73	81.08	151.58	215.03	276.13	331.35
81	55.23	102.23	149.23	189.18	227.95	82.25	153.93	222.08	285.53	343.10
82	56.40	106.93	152.75	197.40	236.18	84.60	158.63	227.95	296.10	354.85
83	56.40	108.10	155.10	200.93	243.23	84.60	162.15	233.83	300.80	365.43
84	56.40	109.28	159.80	205.63	250.28	84.60	163.33	237.35	307.85	376.00
85	57.58	115.15	169.20	222.08	270.25	88.13	171.55	252.63	332.53	406.55
86	57.58	115.15				88.13	172.73			
87	57.58	116.33				89.30	176.25			
88	56.40	115.15				86.95	173.90			
89	56.40	115.15				83.43	170.38			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 LIR Policy Form Series: R-LIR-4
 LIR Rates for PAL Base Policy- 100 Day EP
 \$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	11.75	19.98	29.38	35.25	41.13	17.63	32.90	43.48	52.88	59.93
50	16.45	28.20	38.78	47.00	54.05	24.68	42.30	56.40	69.33	79.90
55	19.98	35.25	47.00	56.40	65.80	29.38	51.70	71.68	86.95	97.53
60	23.50	41.13	56.40	69.33	78.73	34.08	62.28	83.43	101.05	116.33
65	24.68	45.83	62.28	75.20	88.13	37.60	69.33	92.83	113.98	132.78
66	27.03	47.00	64.63	79.90	91.65	38.78	71.68	97.53	118.68	137.48
67	28.20	48.18	68.15	82.25	95.18	41.13	74.03	101.05	123.38	142.18
68	28.20	50.53	70.50	84.60	99.88	42.30	77.55	105.75	129.25	149.23
69	29.38	54.05	72.85	89.30	104.58	44.65	79.90	108.10	133.95	155.10
70	29.38	55.23	75.20	95.18	108.10	45.83	82.25	113.98	141.00	163.33
71	30.55	56.40	79.90	97.53	113.98	47.00	84.60	118.68	145.70	169.20
72	32.90	59.93	81.08	99.88	117.50	47.00	88.13	122.20	151.58	176.25
73	32.90	61.10	84.60	105.75	123.38	50.53	91.65	125.73	156.28	183.30
74	34.08	62.28	86.95	108.10	126.90	51.70	95.18	131.60	163.33	190.35
75	35.25	65.80	91.65	116.33	136.30	52.88	97.53	137.48	172.73	204.45
76	35.25	68.15	95.18	118.68	142.18	54.05	101.05	142.18	179.78	212.68
77	36.43	69.33	98.70	123.38	145.70	55.23	104.58	146.88	185.65	218.55
78	37.60	71.68	101.05	128.08	151.58	56.40	106.93	151.58	191.53	226.78
79	38.78	72.85	105.75	132.78	158.63	56.40	109.28	156.28	198.58	236.18
80	41.13	78.73	111.63	143.35	171.55	59.93	115.15	168.03	215.03	258.50
81	41.13	79.90	115.15	149.23	178.60	61.10	118.68	172.73	222.08	267.90
82	42.30	81.08	118.68	153.93	185.65	62.28	122.20	178.60	230.30	278.48
83	42.30	82.25	119.85	156.28	190.35	62.28	123.38	179.78	235.00	285.53
84	41.13	83.43	123.38	159.80	192.70	63.45	124.55	183.30	239.70	291.40
85	42.30	86.95	129.25	169.20	207.98	64.63	129.25	192.70	254.98	312.55
86	43.48	86.95				63.45	131.60			
87	42.30	88.13				63.45	132.78			
88	41.13	88.13				62.28	131.60			
89	41.13	84.60				59.93	128.08			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 LIR Policy Form Series: R-LIR-4
 LIR Rates for PAL Base Policy- 180 Day EP
 \$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	10.58	18.80	25.85	32.90	36.43	16.45	28.20	38.78	47.00	55.23
50	14.10	25.85	35.25	42.30	48.18	19.98	37.60	51.70	63.45	72.85
55	17.63	30.55	43.48	51.70	59.93	25.85	47.00	64.63	77.55	89.30
60	19.98	36.43	51.70	62.28	71.68	29.38	56.40	77.55	91.65	106.93
65	23.50	42.30	56.40	69.33	79.90	34.08	62.28	84.60	104.58	119.85
66	23.50	43.48	59.93	71.68	82.25	34.08	63.45	88.13	108.10	124.55
67	24.68	44.65	61.10	74.03	86.95	36.43	65.80	90.48	111.63	129.25
68	25.85	45.83	63.45	78.73	90.48	36.43	69.33	95.18	116.33	135.13
69	25.85	47.00	65.80	81.08	95.18	38.78	71.68	98.70	122.20	141.00
70	27.03	50.53	69.33	84.60	98.70	38.78	74.03	101.05	126.90	146.88
71	28.20	50.53	71.68	88.13	102.23	41.13	75.20	106.93	132.78	152.75
72	27.03	52.88	74.03	90.48	106.93	42.30	78.73	109.28	136.30	158.63
73	28.20	54.05	77.55	95.18	110.45	43.48	81.08	113.98	142.18	164.50
74	29.38	56.40	78.73	97.53	115.15	44.65	83.43	118.68	145.70	171.55
75	30.55	57.58	82.25	102.23	122.20	45.83	88.13	124.55	156.28	182.13
76	32.90	59.93	84.60	106.93	125.73	47.00	89.30	128.08	160.98	190.35
77	30.55	62.28	88.13	110.45	131.60	48.18	92.83	132.78	165.68	196.23
78	32.90	63.45	90.48	115.15	136.30	48.18	95.18	135.13	172.73	204.45
79	34.08	64.63	92.83	118.68	142.18	50.53	97.53	141.00	178.60	212.68
80	34.08	69.33	99.88	128.08	153.93	51.70	102.23	150.40	191.53	230.30
81	35.25	70.50	101.05	132.78	159.80	52.88	104.58	152.75	198.58	239.70
82	35.25	71.68	105.75	136.30	164.50	54.05	106.93	158.63	204.45	249.10
83	36.43	72.85	106.93	138.65	169.20	54.05	108.10	160.98	207.98	253.80
84	35.25	72.85	109.28	142.18	172.73	54.05	109.28	162.15	213.85	258.50
85	36.43	75.20	113.98	150.40	183.30	54.05	113.98	171.55	225.60	277.30
86	36.43	77.55				55.23	115.15			
87	36.43	77.55				54.05	116.33			
88	35.25	75.20				54.05	113.98			
89	35.25	74.03				51.70	110.45			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 HCS Policy Form Series: R-HCS
 HCS Rates for PAL Base Policy- 0 Day EP
 \$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	8.23	14.10	18.80	21.15	25.85	14.10	19.98	27.03	30.55	36.43
50	14.10	19.98	25.85	30.55	34.08	18.80	30.55	38.78	45.83	51.70
55	15.28	25.85	34.08	38.78	43.48	24.68	38.78	50.53	57.58	64.63
60	19.98	35.25	43.48	50.53	55.23	30.55	50.53	64.63	75.20	83.43
65	25.85	42.30	52.88	59.93	65.80	38.78	61.10	78.73	89.30	98.70
66	28.20	43.48	54.05	62.28	68.15	41.13	64.63	81.08	92.83	101.05
67	29.38	44.65	56.40	64.63	70.50	43.48	68.15	84.60	97.53	105.75
68	30.55	48.18	61.10	69.33	75.20	47.00	72.85	91.65	104.58	113.98
69	34.08	51.70	64.63	72.85	79.90	50.53	78.73	97.53	110.45	119.85
70	36.43	56.40	70.50	82.25	89.30	55.23	86.95	106.93	123.38	132.78
71	38.78	61.10	75.20	86.95	92.83	57.58	91.65	113.98	129.25	138.65
72	42.30	64.63	79.90	90.48	98.70	62.28	97.53	118.68	136.30	146.88
73	44.65	69.33	86.95	97.53	104.58	68.15	104.58	128.08	145.70	158.63
74	48.18	74.03	91.65	102.23	111.63	71.68	110.45	137.48	156.28	169.20
75	52.88	82.25	102.23	117.50	125.73	79.90	124.55	153.93	176.25	189.18
76	56.40	88.13	109.28	123.38	133.95	84.60	131.60	163.33	186.83	199.75
77	61.10	91.65	115.15	129.25	142.18	89.30	138.65	172.73	196.23	212.68
78	64.63	101.05	125.73	142.18	152.75	98.70	152.75	188.00	212.68	230.30
79	71.68	109.28	135.13	152.75	164.50	106.93	164.50	203.28	227.95	246.75
80	79.90	125.73	156.28	178.60	192.70	119.85	189.18	236.18	267.90	290.23
81	84.60	135.13	169.20	190.35	205.63	129.25	203.28	252.63	286.70	309.03
82	92.83	144.53	179.78	204.45	219.73	137.48	216.20	269.08	305.50	327.83
83	97.53	150.40	186.83	212.68	226.78	144.53	225.60	280.83	316.08	340.75
84	101.05	158.63	195.05	218.55	235.00	152.75	236.18	291.40	327.83	352.50
85	110.45	173.90		245.58	262.03	165.68	263.20	325.48	367.78	394.80
86	116.33	182.13				173.90	272.60			
87	119.85	189.18				180.95	284.35			
88	124.55	196.23				186.83	291.40			
89	126.90	199.75				190.35	299.63			

Exhibit 6A - Proposed 17.5% Rate Increase
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.

R-NF Policy Form Series

R-NF Rates

% of Base & All Other Rider Rates excluding DVH Riders

Elimination Period Age	0	20	100	180
40	23%	23%	25%	29%
50	23%	23%	25%	29%
55	23%	23%	25%	29%
60	23%	23%	25%	29%
65	25%	25%	28%	31%
66	25%	25%	28%	31%
67	25%	25%	28%	31%
68	25%	25%	28%	31%
69	25%	25%	28%	31%
70	29%	29%	31%	35%
71	29%	29%	31%	35%
72	29%	29%	31%	35%
73	29%	29%	31%	35%
74	29%	29%	31%	35%
75	31%	31%	33%	36%
76	31%	31%	33%	36%
77	31%	31%	33%	36%
78	31%	31%	33%	36%
79	31%	31%	33%	36%
80	32%	32%	35%	37%
81	32%	32%	35%	37%
82	32%	32%	35%	37%
83	32%	32%	35%	37%
84	32%	32%	35%	37%
85	32%	32%	35%	37%
86	32%	32%	35%	37%
87	32%	32%	35%	37%
88	32%	32%	35%	37%
89	32%	32%	35%	37%

R-DVH Rates

Annual Per Policy

R-DVH-2	227.95
R-DVH-3	313.73

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Certification of Compliance
Comments:	
Attachment(s):	Cert of Compliance.pdf
Item Status:	Received & Acknowledged
Status Date:	04/09/2021
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo v2.pdf New VA Narrative.pdf
Item Status:	Received & Acknowledged
Status Date:	04/09/2021
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	ltcratereq_sum Final.pdf
Item Status:	Received & Acknowledged
Status Date:	06/19/2021
Satisfied - Item:	Rates and Exhibits
Comments:	
Attachment(s):	VA 2019 Exhibits.pdf Exhibit 6 Rates.pdf
Item Status:	Received & Acknowledged
Status Date:	04/09/2021
Satisfied - Item:	Policy Change Endorsement PCE-U (NSI)
Comments:	Previously approved form. under SERFF USPA- 127712645 on 1/10/2012 and also on 4/16/2015 which revised the SOV (filing summary attached).
Attachment(s):	PCE-U-NSI.pdf PCE-U(NSI) SERFF USPA-127712645.pdf
Item Status:	Received & Acknowledged
Status Date:	06/11/2021
Satisfied - Item:	VA Objection Response 09172019
Comments:	

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Attachment(s):	ltcratereq_sum 2.pdf PH Ltr SOV.pdf PCE-U-SOV-9-11 rev_ 04_13_15.pdf
Item Status:	Received & Acknowledged
Status Date:	04/09/2021

Satisfied - Item:	VA Objection Response 01232020
Comments:	
Attachment(s):	VA Objection Response 01-23-2020.pdf Original Projection.pdf Exhibits on VA Prem Basis.pdf Historical Rate Increase Data.xlsx
Item Status:	Received & Acknowledged
Status Date:	04/09/2021

Satisfied - Item:	VA Objection Response 04062020
Comments:	
Attachment(s):	VA Objection Response 04-06-2020.pdf PPV NSI Test.xlsx If-Knew Blend NSI Exh 3.xlsx
Item Status:	Received & Acknowledged
Status Date:	04/09/2021

Satisfied - Item:	VA Objection Response 10-20-2020
Comments:	
Attachment(s):	ltcratereq_sum Revised.pdf
Item Status:	Received & Acknowledged
Status Date:	04/09/2021

Satisfied - Item:	VA Objection Response 10-29-2020
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo.pdf VA Exhibits 2020.xlsx
Item Status:	Received & Acknowledged
Status Date:	04/09/2021

Satisfied - Item:	VA Objection Response 03-12-2021
Comments:	
Attachment(s):	VA Objection Response 03-12-2021.pdf

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Item Status:	Received & Acknowledged
Status Date:	04/09/2021
Satisfied - Item:	Approved Forms from SERFF filing USPA-131712591 Policyholder Correspondence
Comments:	Attached are the policyholder correspondence Forms approved in USPA-131712591, as well as the Statement of Variables and John Doe versions of both Forms.
Attachment(s):	VA-RI_032421.pdf TRI-CL2020 Options Cover Letter_033121.pdf Statement of variables Forms VA-RI and TRI-CL2020_03-31-21.pdf TRI-CL2020 Options Cover Letter_JohnDoe.pdf VA-RI-1 - John Doe.pdf
Item Status:	Received & Acknowledged
Status Date:	06/19/2021
Satisfied - Item:	06-11-2021 Objection Item #2 regarding policies affected by rate increase - updated Actuarial Memo
Comments:	
Attachment(s):	NSI 2020 VA Rate Increase Memo Updated.pdf
Item Status:	Received & Acknowledged
Status Date:	06/19/2021

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	2019 NSI Rate Increase - VA		
Project Name/Number:	/		

Attachment Historical Rate Increase Data.xlsx is not a PDF document and cannot be reproduced here.

Attachment PPV NSI Test.xlsx is not a PDF document and cannot be reproduced here.

Attachment If-Knew Blend NSI Exh 3.xlsx is not a PDF document and cannot be reproduced here.

Attachment VA Exhibits 2020.xlsx is not a PDF document and cannot be reproduced here.

United Security Assurance Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,
Souderton, Pennsylvania 18964
(800) 872-3044

CERTIFICATE OF COMPLIANCE

THE COMPANY HAS REVIEWED THE ENCLOSED POLICY FORMS(S) AND CERTIFIES THAT, TO THE BEST OF ITS KNOWLEDGE AND BELIEF, EACH FORM SUBMITTED IS CONSISTENT AND COMPLIES WITH THE REQUIREMENTS OF TITLE 38.2 OF THE CODE OF VIRGINIA AND THE REGULATIONS PROMULGATED PURSUANT THERETO.



Martha Stephens
Vice President, Operations

May 29, 2015
Date

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

<u>Product</u>	<u>Policy Forms</u>	<u>Rider Forms</u>
PAL-1, et al Long Term Care	PAL-1, PAL-1(02)R	R-DVH-2, R-DVH-3, R-LIR-4 R-NF, R-HCS

These policy forms were issued by National States Insurance Company (NSIC) from 1997 through 2009. The business was subsequently assumed by United Security Assurance Company of PA (“United Security”) as of September 30, 2009. These policies are no longer being marketed in any jurisdiction. The business was assumed in two portions: a) 2008 and prior issue assumption occurred on July 1, 2009, and b) 2009 issues which occurred on January 1, 2010.

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the requested rate increase of this product meets the minimum requirements and demonstrates compliance with your jurisdiction. This filing may not be suitable for other purposes.

The rate increase being requested will not apply to those policies whose premiums are being waived at the time the rate increase becomes effective but will apply if/when such policies return to a premium-paying status.

As part of the Company’s normal rate increase notification process, the Company will communicate clearly, at the time of notification, that the insured has the opportunity to discuss policy modifications designed to either moderate or fully offset the rate increase. Modifications can include adjustments to the maximum daily benefit and/or other components of the policy. The Company will also provide the standard contingent non-forfeiture benefit to all policyholders who qualify for that option.

2. Description of Benefits

These are lifetime premium, individually underwritten policy forms that provide facility care and, by rider, home health care (exceptions include OR and MI where these forms are sold as comprehensive policies, and WI whose forms are also comprehensive but are identified as WAL1).

Unlike the comprehensive policies sold in OR, MI, and WI, where the home health care benefit is part of the policy’s maximum lifetime benefit, the home health care rider stands separate from the policy in terms of its daily benefit and benefit period. In addition, there is no elimination period associated with the home health care rider nor is it subject to any inflation benefit rider that may have been purchased with the policy.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

Each form has benefit eligibility requirements which involve activities of daily living (ADL) deficiencies or cognitive impairment. Waiver of premium is provided after satisfaction of the policy's elimination period. Benefits are restored if 180 days of separation occurs. A contingent benefit upon lapse will be available to all insureds.

Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) summarize the demographics and benefit characteristics applicable to policies in force as of June 30, 2020.

3. Renewability

These policies are guaranteed renewable for life.

4. Applicability

As these policy forms are no longer being sold, this filing is applicable to inforce policies only. The premium changes will apply to the base forms as well as all applicable options and riders.

5. Actuarial Assumptions

- a. Expected Claim Costs are the original pricing claim costs (also the basis for reserves), which include durational adjustment factors like selection. Further actual-to-expected adjustment factors have been applied based on historical experience of this block. The following table presents the historical product experience since acquisition, split by morbidity study year, where the study is conducted every September. The current model assumption is that future incurred claims will trend in accordance with the expected claim costs.

With 2014 through 2017 incurred loss ratios well above 100%, the 2018 incurred loss ratio of 84.5% appears to be an anomaly, since the 2019 loss ratio was the highest ever at 143.3%. With the implementation of prior accepted rate increases (although the last round is not yet fully implemented as of year-end 2019), the anticipated lifetime loss ratio has increased from 74.2% last year to 78.8% this year.

The following summarizes the range of actual-to-expected results the Company has realized since its acquisition of this block. The results shown are for years ending September 30 to coincide with the annual cash flow testing analysis and assumption setting. The calculation of the Expected Loss Ratios is done by multiplying the pricing product durational loss ratio (from Exhibit 2) by the initial (originally priced) in-force annual premium for each premium-paying policy and dividing by the total in-force original premium.

Morbidity Study Year	Actual Loss Ratio	Expected Loss Ratio	Actual / Expected
2010	50%	59%	99%
2011	80%	60%	132%
2012*	100%	69%	145%

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

2013	75%	79%	96%
2014	114%	86%	133%
2015	133%	95%	140%
2016	130%	105%	124%
2017	112%	116%	97%
2018	85%	126%	67%
2019	143%	139%	103%
10 Yr Total	100%	83%	121%

* Does not include the 2012 reserve strengthening

As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the average attained ages (weighted by annual premium) are 80.9 and 87.3, respectively, while for those currently in claim, the average ages at date of incurral are 86.2 and 85.5, respectively.

- b. Voluntary Termination Rates are also those which underlie the reserves: 4% for policies issued prior to 2007 and 2% for policies issued in 2007 and later. Based on a weighting of the current inforce, this translates into an effective annual voluntary lapse rate of 3.5%.
- c. Mortality is assumed to follow the gender specific 1994 Group Annuitant Mortality (GAM) Table which is also the basis for reserves.

The following table compares the actual total termination rate with the total termination rate implied by the combination of the mortality rates and voluntary termination rates noted above. The results shown are for years ending September 30 to coincide with the annual cash flow testing analysis and assumption setting.

Termination Study Year	Actual Total Term Rate	Expected Total Term Rate	Actual Less Expected
2011	12.0%	9.2%	2.8%
2012	5.9%	9.5%	-3.7%
2013	10.2%	9.6%	0.7%
2014	13.3%	9.8%	3.4%
2015	11.9%	10.0%	1.9%
2016	14.8%	10.3%	4.5%
2017	16.4%	10.4%	6.0%
2018	15.3%	10.4%	4.9%
2019	16.7%	10.8%	5.9%
9 Yr Average	13.5%	9.8%	3.7%

- d. Adverse Selection. We have not modeled any shock lapse or adverse selection associated with this rate increase. We have tested a moderate level of morbidity based anti-selection in Exhibit 5 (nationwide experience) to reflect the possibility for increased claims activity by remaining policyholders.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

- e. Expenses. Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

These assumptions are based on the nationwide experience of the particular policy forms in this filing. The assumptions used in this filing are considered best-estimate. As stated earlier, actual morbidity levels are in excess of expected levels, in large part due to the higher than expected claims experience for older ages. These factors are the primary drivers for this request.

In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-referenced policy forms were taken into consideration.

6. Marketing Method

These policy forms were marketed by agents and brokers of National States. These forms are no longer marketed or sold.

7. Underwriting Description

These policies were underwritten by National States using protocols and methods applicable at the time of policy application. Based on those protocols and methods, policies were either declined, issued standard (Class AA = rating of 100%) or issued substandard (Class A = rating of 150%). As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the percentages of policies in force and underwritten as substandard (weighted by annual premium) are 36.6% and 31.5%, respectively.

8. Premiums

Premiums are unisex and payable for life. The premiums may vary by issue age, benefit period, initial daily benefit, elimination period, inflation option, premium payment option, risk class, and the selection of any riders.

9. Issue Age Range

Issue ages are from 40 to 89. As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the average issue ages (weighted by annual premium) are 66.1 and 71.2, respectively.

10. Area Factors

Area factors are not used for this product.

11. Premium Modalization Rules

The following modal factors are applied to the annual premium (AP): annual 100%, semi-annual 52%, quarterly 26.5% and monthly 8.4%.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

12. Reserves

Active life reserves have not been used in this analysis. A by-state average of claim reserves, between each year-end of 2013 through 2018, has been incorporated in the projected future claims. Claim reserves as of year-end 2009 and later have been incorporated in the historical incurred claims where the definition of an incurred claim in a given year is equal to the paid claims plus the change in claim reserves. Claim reserves prior to 2009 were not available because it was prior to USA's acquisition of the business. This missing data would only inflate the incurred claims and justify additional rate increases. In the above, claim reserves include incurred but not reported (IBNR) reserves.

13. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

14. Past and Future Experience

The split of incurred claims into paid claims and claim reserves was not available prior to acquisition so the exhibit(s) set the two equal. The sudden increase in 2012 incurred claims is largely attributable to claim reserve strengthening that occurred in 2012. Removing this would bring the nationwide loss ratio more in line with the 2011 loss ratio. For calendar years 2010 and later, actual historical incurred claims are determined as claims paid in the calendar year plus the change in claim reserves. Anticipated experience for 2020 is based on actual collected premium and paid claims through December, 2019 and open claim reserves as of December 31, 2019.

As mentioned in Section 5a, projected experience for 2020 and after is based on 2010 through 2019 experience and the trend in expected earned premiums and anticipated incurred claims based on a policy-level projection using actual policies in force as of December 31, 2019 and assumptions noted in Section 5.

For purposes of accumulating experience for an anticipated or lifetime loss ratio calculation, the calendar year totals are assumed to represent a mid-year value. The loss ratios shown in the exhibits are computed using a 4.35% interest rate (approximating the weighted average rate used for statutory reserves).

Rate Stabilization model requirements allow for a much smaller rate increase than the Loss Ratio requirements. Although 1 of the 6 premium paying policies in force in Virginia (16.7%) was issued before Oct. 1, 2003, this filing was constructed as if all policies were under the more conservative Rate Stabilization requirements.

Exhibit 4 shows the projection of future experience with the one-time rate increase of 17.5%. The new proposed rates are shown in Exhibit 6.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

15. History of Previous Rate Revisions

Round 1: National States received no rate increase in Virginia in 2009. Some other states received an 18% rate increase on the PAL-1 series (almost no rate increases were taken on the QLT-1 series). The requests were implemented during late 2009 and early 2010. While the aggregate impact of this rate increase is reflected in the national historical experience, I was unable to adequately reflect it in the state specific Exhibit 3A. As such, Exhibit 3A allocates the historical data as though every state had accepted the approximately 9.5% nationwide average.

Round 2: USA received approximately 26.9% rate increases nationwide on the PAL-1 and QLT-1 series in 2011 and 2012, of which 15% was accepted in Virginia. Historical experience has been split to reflect this in the attached.

Round 3: In 2013 and early 2014, USA received approximately 13.3% rate increases nationwide on the PAL-1 and QLT-1 series, of which none was requested in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted, except Indiana, which limited the rate increase to the QLT-1 form. Rate increases were accepted on 81.6% of all in force policies as of 6/30/2013, ranging from a low of 5% in 1 state, to a high of 25% in 1 state, with 6 states accepting 20%.

Round 4: In late 2014 and early 2015, USA received an average nationwide rate increase of 14% on the PAL-1 and QLT-1 series, of which 20% was requested in Virginia, but the request was denied. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 80.1% of all in force policies as of 6/30/2014, ranging from a low of 3% in one state, to a high of 20% in 7 states.

Round 5: In late 2015 and early 2016, USA received an average nationwide rate increase of 15.4% on the PAL-1 and QLT-1 series, of which no request was filed in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 88.1% of all in force policies as of 6/30/2015, ranging from a low of 10% in 4 states, to a high of 20% in 6 states.

Round 6: In late 2016 and early 2017, USA received an average nationwide rate increase of 11.5% on the PAL-1 and QLT-1 series, of which no request was filed in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 67.7% of all in force policies as of 6/30/2016, ranging from a low of 10% in 3 states to a high of 20% in 5 states.

Round 7: During 2018, USA received an average nationwide rate increase of 14.8% on the PAL-1 and QLT-1 series, but no request was made in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 70.5% of all in force policies as of 6/30/2017, ranging from a series of 3 annual increases of 40.4% each in 1 state, to a low of 10% in 2 states.

Round 8: In 2019, USA was attempting to end the cycle of annual rate increase requests, by requesting a series of 3 annual increases of 32.8% each, with the certification that if the requested

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

series is granted there will be no more rate increase requests for this block of policies (unless experience deteriorates significantly and unexpectedly). Michigan and Wisconsin accepted the requests for the series of 3 annual increases of 32.8% each (or the 1-time equivalent of 109.65%), Iowa and Tennessee each accepted a series of 2 annual increases, and Nebraska and Illinois accepted multi-year rate increases in Round 7. Other states accepted a variety of 1-time rate increases. This VA rate increase request is still pending after 14 months.

Round 9: Six rate increase requests have been submitted as part of Round 9. Three have been approved and 3 are still pending.

16. Analysis Performed to Consider a Rate Increase

The analysis performed in support of this filing includes morbidity and termination studies noted in Section 5 as well as emerging differences in the emerging aggregate durational-weighted loss ratios relative to that assumed in the original pricing. The durational pricing loss ratios are shown in Exhibit 2 and, although not explicitly available, the following is a description of the original pricing assumptions for claim costs, voluntary termination rates, mortality, and interest:

- a. Original Pricing Expected Claim Costs. Original pricing expected nursing home and home health care incidence rates and continuance tables were taken from early SOA and NCHS studies. All values were adjusted to reflect elimination periods, policy maximums, and eligibility standards. In addition, my understanding is that adjustments were made by duration to reflect expected underwriting.
- b. Original Pricing Expected Voluntary Termination Rates. Original pricing expected lapse rates varied by duration with the ultimate lapse rate assumed to be 4%.
- c. Original Pricing Expected Mortality. 1983 Group Annuitant Mortality (GAM) Table
- d. Original Pricing Expected Investment Earnings. 6%

As noted above, the historical experience prior to acquisition (2010) was available only in aggregate without distinction between collected and earned premiums, or paid and incurred claims. Post-acquisition data (2010-2019) is based on policy level data (collected premium, paid claims, claim reserves). Amounts for 2020 and after are based on actual experience through the end of 2019, using a seriatim projection of policies in force as of 12/31/2019 and the assumptions outlined in Section 5.

17. Requested Rate Increase and Demonstration of Satisfaction of Rate Stabilization Model Requirements

Although a much larger rate increase is justified at this time (about 333.7% under the Loss Ratio regulation, and under the Rate Stabilization model regulation, about 198.5%), the Company is accepting a rate increase offer of 17.5% on all premium paying policies in force in Virginia, with the understanding that experience will continue to be monitored and additional increase requests

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

may be forthcoming in the future. This premium rate increase being accepted is supportable under both the Loss Ratio regulation and the Rate Stabilization model regulation.

To mitigate the impact of this rate increase on policyholders, we will offer policy modifications to partially or completely offset the rate increase. We are in agreement that annual rate increases are unpleasant and unfortunate. To have to persist in the filing and implementation of them is a burden on both the company and the policyholder. We did not price and market these forms but are simply attempting to mitigate the adverse consequences of this aging assumed block and bring premium levels into appropriate balance with the benefits being offered. Our preference would certainly be to implement a known (and more substantial, in aggregate) rate increase over a period of years (such as this requested amount) than to do so in smaller amounts and more frequent occurrences.

Exhibit 3 shows the anticipated lifetime loss ratio under current expectations exclusive of the requested rate increase (Exhibit 3A is historical Virginia only experience). Exhibit 4 shows the anticipated lifetime loss ratio using a one-time rate increase of 17.5%. As shown in Exhibits 3 and 4, the anticipated lifetime loss ratio with and without the requested rate increase exceeds the minimum loss ratio requirement of 60%. Exhibit 7 shows the same projection (as Exhibit 4) with 10% worse morbidity levels which are consistent with the levels experienced in 2012, and in 2014 through 2017, and 2019. Corresponding rates, reflecting the above increase, are shown in Exhibit 6.

18. Number of Insureds and Annualized Premium

Based on December 31, 2019 in-force premium paying policies, the number of insureds and annualized premium that will be affected by this increase in this jurisdiction and nationwide are shown in the table below. Further nationwide splits by key benefit characteristics are shown in Exhibit 1.

	Number of Policies	Annualized Premium Before Incrs	Average Annualized Premium Before Incrs	Proposed Increases	Proposed Annualized Premium After Incrs	Average Annualized Premium After Incrs
Nationwide	752	2,619,784	3,484	17.5%	3,078,246	4,093
Virginia	6	12,162	2,027	17.5%	14,290	2,382

19. Proposed Effective Date

This rate increase will apply to policies beginning on their next premium payment date following a 60-day policyholder notification period following approval.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

20. Actuarial Certification

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings and to render the actuarial opinion contained herein. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8 and 18.

As the Company is not requesting the maximum permissible rate increase of 198.5%, I am not providing a VAC 5-200-153 Subdivision B. 2. certification at this time. The Company will continue to monitor experience and further modest rate action will be taken in the future if experience continues to justify as much.

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of Virginia and the rules of the Department of Insurance. In my opinion the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy.



Gary R. Hulet, ASA, MAAA

Staff Actuary

United Security Assurance Company of Pennsylvania

Date: November 4, 2020

These policy forms were sold by National States Insurance Company (NSIC) from 1999 to 2009. NSIC was closed by Missouri in 2010. The policies were assumed by United Security Assurance Company (the Company) in 2009 and 2010. During the 8 years since accepting this business, claims have been worse than expected. This bad experience is consistent with the Society of Actuaries LTC studies of 2001, 2004, and 2007 which show a large increase in claims for persons over age 75 compared to earlier studies (1999 and prior).

The original expected losses for this business (provided by NSIC) were 57.3%. The current expected losses without this rate increase are expected to be 79.0%. To balance the needs of the Company and the financial stress created on policy owners by rate increases, the Company is requesting a rate increase of 17.5% at this time.

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Company Name and NAIC Number: United Security Assurance Company of Pennsylvania NAIC 42129

SERFF Tracking Number: USPA-132069185

Revised Rates

Average Annual Premium Per Member: \$1,905.12

Average Requested Percentage Rate Change Per Member: 17.5%

Range of Requested Rate Changes: 17.5%

Number of Virginia Policyholders Affected: 3

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
PAL-1	Long Term Care base policy	1998-2009	2013 - 15%	Future rate increases are likely
PAL-1(02)R	Long Term Care base policy	1998-2009	2013 - 15%	Future rate increases are likely
R-DVH-2	Dental, Vision, Hearing rider	1998-2009	2013 - 15%	Future rate increases are likely
R-DVH-3	Dental, Vision, Hearing rider	1998-2009	2013 - 15%	Future rate increases are likely
R-LIR-4	Inflation Rider	1998-2009	2013 - 15%	Future rate increases are likely
R-NF	Non-Forfeiture Rider	1998-2009	2013 - 15%	Future rate increases are likely
R-HCS	Home Health Care rider	1998-2009	2013 - 15%	Future rate increases are likely

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.
(Rev. 06/19)

These policy forms were sold by National States Insurance Company (NSIC) from 1999 to 2009. NSIC was closed by Missouri in 2010. The policies were assumed by United Security Assurance Company (the Company) in 2009 and 2010. During the 8 years since accepting this business, claims have been worse than expected. This bad experience is consistent with the Society of Actuaries LTC studies of 2001, 2004, and 2007 which show a large increase in claims for persons over age 75 compared to earlier studies (1999 and prior).

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Exhibit 1
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

<u>Model Issue Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 55	56	123,655	3.47%
55-59	87	238,878	6.69%
60-64	229	640,158	17.94%
65-69	267	888,363	24.90%
70-74	197	649,918	18.21%
75-79	144	613,429	17.19%
<u>> 80</u>	<u>78</u>	<u>413,973</u>	<u>11.60%</u>
Total	1,058	3,568,373	67.7 avg

<u>Attained Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 50	-	-	0.00%
50-59	3	3,109	0.09%
60-69	80	200,866	5.63%
70-79	353	1,053,960	29.54%
80-89	430	1,494,476	41.88%
90-99	189	801,762	22.47%
<u>> 99</u>	<u>3</u>	<u>14,200</u>	<u>0.40%</u>
Total	1,058	3,568,373	81.5 avg

<u>Benefit Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
1 Year	167	461,300	12.93%
2 Year	239	760,260	21.31%
3 Year	287	956,400	26.80%
4 Year	122	458,445	12.85%
<u>5 Year</u>	<u>243</u>	<u>931,968</u>	<u>26.12%</u>
Total	1,058	3,568,373	3.0 avg

<u>Elimination Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
0 Days	322	937,690	26.28%
20 Days	210	662,357	18.56%
100 Days	519	1,947,298	54.57%
<u>180 Days</u>	<u>7</u>	<u>21,028</u>	<u>0.59%</u>
Total	1,058	3,568,373	54.2 avg

<u>Inflation Option</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
None	744	2,443,289	68.47%
<u>5% Compound (lifetime)</u>	<u>314</u>	<u>1,125,084</u>	<u>31.53%</u>
Total	1,058	3,568,373	1.6% avg

<u>HHC Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
No	481	1,371,501	38.43%
<u>Yes</u>	<u>577</u>	<u>2,196,872</u>	<u>61.57%</u>
Total	1,058	3,568,373	

Exhibit 1
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

<u>Initial Daily Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 60	60	113,654	3.19%
60-69	42	131,523	3.69%
70-79	17	40,113	1.12%
80-89	51	193,077	5.41%
90-99	23	70,881	1.99%
100-109	351	1,126,241	31.56%
110-119	32	115,668	3.24%
120-129	124	429,664	12.04%
130-139	69	218,095	6.11%
140-149	62	227,565	6.38%
150-159	119	387,247	10.85%
160-169	26	115,233	3.23%
170-179	7	37,523	1.05%
180-189	7	28,513	0.80%
190-199	3	9,781	0.27%
<u>> 199</u>	<u>65</u>	<u>323,595</u>	<u>9.07%</u>
Total	1,058	3,568,373	120.3 avg

<u>Policy Form</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
PAL1	529	1,697,255	47.56%
QLT1	374	1,097,745	30.76%
WAL1	79	324,974	9.11%
<u>QLW1</u>	<u>76</u>	<u>448,399</u>	<u>12.57%</u>
Total	1,058	3,568,373	

<u>UWC</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
AA	690	2,110,354	59.14%
<u>A</u>	<u>368</u>	<u>1,458,019</u>	<u>40.86%</u>
Total	1,058	3,568,373	

<u>Incurred Age</u>	<u>Policy Count</u>	<u>Percent</u>
< 50	-	0.00%
50-59	1	1.09%
60-69	2	2.17%
70-79	16	17.39%
80-89	49	53.26%
90-99	24	26.09%
<u>> 99</u>	<u>-</u>	<u>0.00%</u>
Total	92	84.7 avg

Exhibit 1A
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Virginia PAL1, QLT1 (December 31, 2018)

<u>Model Issue Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 55	-	-	0.00%
55-59	-	-	0.00%
60-64	2	4,164	28.13%
65-69	1	2,036	13.75%
70-74	-	-	0.00%
75-79	4	8,603	58.12%
<u>> 80</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	71.3 avg

<u>Attained Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 50	-	-	0.00%
50-59	-	-	0.00%
60-69	-	-	0.00%
70-79	1	2,519	17.02%
80-89	3	6,188	41.80%
90-99	3	6,096	41.18%
<u>> 99</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	85.7 avg

<u>Benefit Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
1 Year	1	1,702	11.50%
2 Year	3	5,613	37.92%
3 Year	1	2,933	19.81%
4 Year	-	-	0.00%
<u>5 Year</u>	<u>2</u>	<u>4,555</u>	<u>30.77%</u>
Total	7	14,803	2.9 avg

<u>Elimination Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
0 Days	5	11,697	79.02%
20 Days	2	3,106	20.98%
100 Days	-	-	0.00%
<u>180 Days</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	5.7 avg

<u>Inflation Option</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
None	6	13,158	88.89%
<u>5% Compound (lifetime)</u>	<u>1</u>	<u>1,645</u>	<u>11.11%</u>
Total	7	14,803	avg

<u>HHC Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
No	-	-	0.00%
<u>Yes</u>	<u>7</u>	<u>14,803</u>	<u>100.00%</u>
Total	7	14,803	

Exhibit 1A
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Virginia PAL1, QLT1 (December 31, 2018)

<u>Initial Daily Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 60	1	1,461	9.87%
60-69	-	-	0.00%
70-79	-	-	0.00%
80-89	-	-	0.00%
90-99	-	-	0.00%
100-109	5	10,823	73.11%
110-119	-	-	0.00%
120-129	-	-	0.00%
130-139	-	-	0.00%
140-149	-	-	0.00%
150-159	1	2,519	17.02%
160-169	-	-	0.00%
170-179	-	-	0.00%
180-189	-	-	0.00%
190-199	-	-	0.00%
<u>> 199</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	105.0 avg

<u>Policy Form</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
PAL1	7	14,803	100.00%
QLT1	-	-	0.00%
WAL1	-	-	0.00%
<u>QLW1</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	

<u>UWC</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
AA	5	10,639	71.87%
<u>A</u>	<u>2</u>	<u>4,164</u>	<u>28.13%</u>
Total	7	14,803	

<u>Incurred Age</u>	<u>Policy Count</u>	<u>Percent</u>
< 50	-	0.00%
50-59	-	0.00%
60-69	-	0.00%
70-79	-	0.00%
80-89	1	100.00%
90-99	-	0.00%
<u>> 99</u>	<u>-</u>	<u>0.00%</u>
Total	1	88.0 avg

Exhibit 2
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Original Pricing Loss Ratios

	Policy Form
	PAL1
DURATION	
1	13%
2	31%
3	42%
4	48%
5	57%
6	64%
7	71%
8	81%
9	91%
10	102%
11	113%
12	124%
13	139%
14	154%
15	170%
16	185%
17	199%
18	216%
19	235%
20	254%
21	273%
22	291%
23	311%
24	333%
25	356%
Lifetime	60%

United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Current Expectations with No Rate Increase
Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

Year	Cash Premium	Earned Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	154,014	-	-	0.0%
1999	102,507	102,507	4,674	4,674	4.6%
2000	2,599,547	2,599,547	130,246	130,246	5.0%
2001	3,584,882	3,584,882	639,514	639,514	17.8%
2002	4,588,591	4,588,591	1,086,677	1,086,677	23.7%
2003	5,189,568	5,189,568	1,825,310	1,825,310	35.2%
2004	5,957,734	5,957,734	2,354,720	2,354,720	39.5%
2005	6,619,449	6,619,449	3,047,384	3,047,384	46.0%
2006	7,328,653	7,328,653	3,413,658	3,413,658	46.6%
2007	7,828,366	7,828,366	4,064,396	4,064,396	51.9%
2008	7,830,214	7,830,214	4,957,913	4,957,913	63.3%
2009	7,972,665	7,972,665	4,748,634	4,748,634	59.6%
2010	7,453,351	7,606,466	1,830,031	3,796,118	49.9%
2011	6,720,206	6,864,034	3,980,744	5,457,584	79.5%
2012	6,294,714	6,289,848	4,918,153	7,793,964	123.9%
2013	5,893,762	5,972,441	5,157,654	4,486,575	75.1%
2014	5,559,989	5,643,388	5,504,049	6,432,691	114.0%
2015	5,138,780	5,215,861	5,508,624	6,944,830	133.1%
2016	4,713,995	4,784,705	5,682,767	6,233,876	130.3%
2017	4,184,209	4,246,972	5,104,219	4,761,120	112.1%
2018	3,748,222	3,804,445	4,217,236	3,215,130	84.5%
Cumulative @ 4.35%		168,268,763		104,522,675	62.1%
2019	3,444,759	3,496,430	3,410,197	3,752,939	107.3%
2020	3,181,686	3,229,411	3,205,723	3,583,021	110.9%
2021	2,952,347	2,996,632	3,013,897	3,411,649	113.8%
2022	2,567,623	2,606,137	2,825,847	3,263,689	125.2%
2023	2,224,317	2,257,681	2,642,037	3,099,978	137.3%
2024	1,919,510	1,948,303	2,486,453	2,972,176	152.6%
2025	1,650,159	1,674,911	2,339,619	2,837,508	169.4%
2026	1,413,161	1,434,359	2,205,654	2,691,624	187.7%
2027	1,205,450	1,223,532	2,075,807	2,560,144	209.2%
2028	1,024,046	1,039,407	1,946,025	2,415,787	232.4%
2029	866,133	879,125	1,829,853	2,285,704	260.0%
2030	729,124	740,061	1,719,066	2,159,845	291.8%
2031	610,675	619,835	1,615,535	2,023,973	326.5%
2032	508,687	516,317	1,513,402	1,890,371	366.1%
2033	421,271	427,590	1,406,456	1,749,818	409.2%
2034	346,713	351,914	1,301,408	1,609,796	457.4%
2035	283,471	287,723	1,196,206	1,473,587	512.2%
2036	230,163	233,615	1,096,613	1,337,657	572.6%
2037	185,544	188,327	1,000,779	1,206,769	640.8%
2038	148,480	150,707	905,340	1,079,443	716.3%
2039	117,933	119,702	812,839	956,061	798.7%
2040	92,957	94,351	721,490	839,431	889.7%
2041	72,705	73,795	636,122	731,080	990.7%
2042	56,425	57,272	557,098	631,320	1102.3%
2043	43,455	44,107	483,939	541,026	1226.6%
2044	33,212	33,710	416,521	458,371	1359.8%
2045	25,194	25,572	354,174	384,536	1503.8%
2046	18,975	19,260	297,857	319,331	1658.0%
2047	14,196	14,409	247,405	262,385	1821.0%
2048	10,555	10,713	203,911	216,442	2020.3%
2049	7,805	7,922	166,162	177,063	2235.2%
2050	5,742	5,828	133,832	143,816	2467.8%
2051	4,205	4,268	106,262	115,896	2715.5%
PV of Future @ 4.35%		20,883,576		35,825,525	171.5%
Total		189,152,338		140,348,200	74.2%

Exhibit 3A
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Historical Experience

Virginia Experience Only (December 31, 2018)

<u>Year</u>	<u>Cash Premium</u>	<u>Earned Premium</u>	<u>Paid Claims</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1997	-	-	-	-	0.0%
1998	-	-	-	-	0.0%
1999	-	-	-	-	0.0%
2000	5,092	5,092	-	-	0.0%
2001	17,067	17,067	-	-	0.0%
2002	22,334	22,334	-	-	0.0%
2003	24,674	24,674	-	-	0.0%
2004	23,546	23,546	-	-	0.0%
2005	24,560	24,560	-	-	0.0%
2006	25,639	25,639	64,830	64,830	252.9%
2007	22,868	22,868	77,675	77,675	339.7%
2008	22,460	22,460	57,800	57,800	257.3%
2009	21,777	21,777	50,512	50,512	232.0%
2010	38,549	39,287	1,934	(19,933)	-50.7%
2011	22,598	23,901	47,281	96,895	405.4%
2012	22,972	22,601	48,855	114,286	505.7%
2013	23,861	23,876	62,927	(63,520)	-266.0%
2014	21,222	21,540	10,417	62,363	289.5%
2015	21,662	21,986	25,578	1,367	6.2%
2016	20,474	20,781	14,256	(13,479)	-64.9%
2017	19,286	19,575	27,420	137,102	700.4%
2018	18,417	18,693	36,898	30,102	161.0%
Cumulative @ 4.35%		639,989		817,414	127.7%

United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Current Expectations with a one-time 109.645% Rate Increase
Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

<u>Year</u>	<u>Earned Initial Premium</u>	<u>Earned Rate Increase Premium</u>	<u>Paid Claims</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1997	-	-	-	-	0.0%
1998	154,014	154,014	-	-	0.0%
1999	102,507	102,507	4,674	4,674	4.6%
2000	2,599,547	2,599,547	130,246	130,246	5.0%
2001	3,584,882	3,584,882	639,514	639,514	17.8%
2002	4,588,591	4,588,591	1,086,677	1,086,677	23.7%
2003	5,189,568	5,189,568	1,825,310	1,825,310	35.2%
2004	5,957,734	5,957,734	2,354,720	2,354,720	39.5%
2005	6,619,449	6,619,449	3,047,384	3,047,384	46.0%
2006	7,328,653	7,328,653	3,413,658	3,413,658	46.6%
2007	7,828,366	7,828,366	4,064,396	4,064,396	51.9%
2008	7,830,214	7,830,214	4,957,913	4,957,913	63.3%
2009	7,972,665	7,972,665	4,748,634	4,748,634	59.6%
2010	7,453,351	7,606,466	1,830,031	3,796,118	49.9%
2011	6,720,206	6,864,034	3,980,744	5,457,584	79.5%
2012	6,294,714	6,289,848	4,918,153	7,793,964	123.9%
2013	5,893,762	5,972,441	5,157,654	4,486,575	75.1%
2014	5,559,989	5,643,388	5,504,049	6,432,691	114.0%
2015	5,138,780	5,215,861	5,508,624	6,944,830	133.1%
2016	4,713,995	4,784,705	5,682,767	6,233,876	130.3%
2017	4,184,209	4,246,972	5,104,219	4,761,120	112.1%
2018	3,748,222	3,804,445	4,217,236	3,215,130	84.5%
Cumulative @ 4.35%		168,268,763	0%	104,522,675	62.1%
2019	4,642,393	4,712,029	3,410,197	3,752,939	79.6%
2020	5,750,702	5,836,963	3,205,723	3,583,021	61.4%
2021	5,211,697	5,289,872	3,013,897	3,411,649	64.5%
2022	4,598,969	4,667,954	2,825,847	3,263,689	69.9%
2023	3,992,560	4,052,448	2,642,037	3,099,978	76.5%
2024	3,453,447	3,505,248	2,486,453	2,972,176	84.8%
2025	2,976,273	3,020,917	2,339,619	2,837,508	93.9%
2026	2,555,626	2,593,960	2,205,654	2,691,624	103.8%
2027	2,186,185	2,218,977	2,075,807	2,560,144	115.4%
2028	1,862,806	1,890,748	1,946,025	2,415,787	127.8%
2029	1,580,622	1,604,332	1,829,853	2,285,704	142.5%
2030	1,335,163	1,355,190	1,719,066	2,159,845	159.4%
2031	1,122,364	1,139,200	1,615,535	2,023,973	177.7%
2032	938,580	952,659	1,513,402	1,890,371	198.4%
2033	780,527	792,234	1,406,456	1,749,818	220.9%
2034	645,225	654,904	1,301,408	1,609,796	245.8%
2035	529,995	537,945	1,196,206	1,473,587	273.9%
2036	432,432	438,919	1,096,613	1,337,657	304.8%
2037	350,370	355,626	1,000,779	1,206,769	339.3%
2038	281,838	286,065	905,340	1,079,443	377.3%
2039	225,030	228,405	812,839	956,061	418.6%
2040	178,304	180,978	721,490	839,431	463.8%
2041	140,182	142,285	636,122	731,080	513.8%
2042	109,349	110,989	557,098	631,320	568.8%
2043	84,631	85,900	483,939	541,026	629.8%
2044	64,993	65,968	416,521	458,371	694.8%
2045	49,533	50,276	354,174	384,536	764.9%
2046	37,476	38,038	297,857	319,331	839.5%
2047	28,160	28,583	247,405	262,385	918.0%
2048	21,029	21,345	203,911	216,442	1014.0%
2049	15,616	15,851	166,162	177,063	1117.1%
2050	11,538	11,711	133,832	143,816	1228.0%
2051	8,488	8,615	106,262	115,896	1345.3%
PV of Future @ 4.35%		36,146,102	0%	35,825,525	99.1%
Total		204,414,864		140,348,200	68.7%

Exhibit 5A
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with First of Three 32.8% Rate Increases: Rate Stabilization
Nationwide PAL1, QLT1, WAL1, QLW1 (12/31/2018)

Year	Earned Initial Premium	Earned Rate Increase Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	-	-	-	0.0%
1999	102,507	-	4,674	4,674	4.6%
2000	2,599,547	-	130,246	130,246	5.0%
2001	3,584,882	-	639,514	639,514	17.8%
2002	4,588,591	-	1,086,677	1,086,677	23.7%
2003	5,189,568	-	1,825,310	1,825,310	35.2%
2004	5,957,734	-	2,354,720	2,354,720	39.5%
2005	6,619,449	-	3,047,384	3,047,384	46.0%
2006	7,328,653	-	3,413,658	3,413,658	46.6%
2007	7,828,366	-	4,064,396	4,064,396	51.9%
2008	7,830,214	-	4,957,913	4,957,913	63.3%
2009	7,972,665	-	4,748,634	4,748,634	59.6%
2010	7,302,571	303,895	1,830,031	3,796,118	49.9%
2011	6,259,685	604,349	3,980,744	5,457,584	79.5%
2012	5,157,113	1,132,735	4,918,153	7,793,964	123.9%
2013	4,488,402	1,484,039	5,157,654	4,486,575	75.1%
2014	3,784,397	1,858,991	5,504,049	6,432,691	114.0%
2015	3,249,498	1,966,363	5,508,624	6,944,830	133.1%
2016	2,547,368	2,237,338	5,682,767	6,233,876	130.3%
2017	2,078,403	2,168,568	5,104,219	4,761,120	112.1%
2018	1,749,597	2,054,848	4,217,236	3,215,130	84.5%
Cumulative @ 4.	152,197,733	16,071,029		104,522,675	62.1%
2019	1,351,626	2,489,189	3,410,197	3,752,939	97.7%
2020	1,284,761	2,316,322	3,205,723	3,583,021	99.5%
2021	1,199,771	2,126,386	3,013,897	3,411,649	102.6%
2022	1,150,696	2,061,376	2,825,847	3,263,689	101.6%
2023	997,491	1,787,646	2,642,037	3,099,978	111.3%
2024	861,511	1,544,364	2,486,453	2,972,176	123.5%
2025	741,376	1,329,128	2,339,619	2,837,508	137.0%
2026	635,686	1,139,501	2,205,654	2,691,624	151.6%
2027	543,058	973,079	2,075,807	2,560,144	168.9%
2028	462,154	827,532	1,946,025	2,415,787	187.3%
2029	391,702	700,657	1,829,853	2,285,704	209.2%
2030	330,540	590,430	1,719,066	2,159,845	234.5%
2031	277,612	495,011	1,615,535	2,023,973	262.0%
2032	231,978	412,749	1,513,402	1,890,371	293.2%
2033	192,791	342,153	1,406,456	1,749,818	327.1%
2034	159,286	281,872	1,301,408	1,609,796	364.9%
2035	130,781	230,683	1,196,206	1,473,587	407.7%
2036	106,667	187,487	1,096,613	1,337,657	454.7%
2037	86,399	151,292	1,000,779	1,206,769	507.7%
2038	69,484	121,189	905,340	1,079,443	566.1%
2039	55,469	96,349	812,839	956,061	629.7%
2040	43,946	76,017	721,490	839,431	699.7%
2041	34,545	59,514	636,122	731,080	777.3%
2042	26,938	46,237	557,098	631,320	862.7%
2043	20,837	35,652	483,939	541,026	957.8%
2044	15,985	27,288	416,521	458,371	1059.3%
2045	12,162	20,738	354,174	384,536	1168.8%
2046	9,176	15,657	297,857	319,331	1285.9%
2047	6,867	11,751	247,405	262,385	1409.3%
2048	5,098	8,775	203,911	216,442	1560.2%
2049	3,756	6,524	166,162	177,063	1722.5%
2050	2,746	4,833	133,832	143,816	1897.8%
2051	1,993	3,570	106,262	115,896	2083.7%
PV of Future @ 4	8,831,262	15,861,263		35,825,525	145.1%
Total	161,028,995	31,932,292		140,348,200	72.7%

Exhibit 5B
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with Second of Three 32.8% Rate Increases: Rate Stabilization
Nationwide PAL1, QLT1, WAL1, QLW1 (12/31/2018)

Year	Earned Initial Premium	Earned Rate Increase Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	-	-	-	0.0%
1999	102,507	-	4,674	4,674	4.6%
2000	2,599,547	-	130,246	130,246	5.0%
2001	3,584,882	-	639,514	639,514	17.8%
2002	4,588,591	-	1,086,677	1,086,677	23.7%
2003	5,189,568	-	1,825,310	1,825,310	35.2%
2004	5,957,734	-	2,354,720	2,354,720	39.5%
2005	6,619,449	-	3,047,384	3,047,384	46.0%
2006	7,328,653	-	3,413,658	3,413,658	46.6%
2007	7,828,366	-	4,064,396	4,064,396	51.9%
2008	7,830,214	-	4,957,913	4,957,913	63.3%
2009	7,972,665	-	4,748,634	4,748,634	59.6%
2010	7,302,571	303,895	1,830,031	3,796,118	49.9%
2011	6,259,685	604,349	3,980,744	5,457,584	79.5%
2012	5,157,113	1,132,735	4,918,153	7,793,964	123.9%
2013	4,488,402	1,484,039	5,157,654	4,486,575	75.1%
2014	3,784,397	1,858,991	5,504,049	6,432,691	114.0%
2015	3,249,498	1,966,363	5,508,624	6,944,830	133.1%
2016	2,547,368	2,237,338	5,682,767	6,233,876	130.3%
2017	2,078,403	2,168,568	5,104,219	4,761,120	112.1%
2018	1,749,597	2,054,848	4,217,236	3,215,130	84.5%
Cumulative @ 4.	152,197,733	16,071,029		104,522,675	62.1%
2019	1,351,626	2,489,189	3,410,197	3,752,939	97.7%
2020	1,585,241	2,909,112	3,205,723	3,583,021	79.7%
2021	1,463,820	2,646,151	3,013,897	3,411,649	83.0%
2022	1,417,242	2,584,693	2,825,847	3,263,689	81.6%
2023	1,230,248	2,243,258	2,642,037	3,099,978	89.2%
2024	1,064,131	1,939,642	2,486,453	2,972,176	98.9%
2025	917,210	1,670,857	2,339,619	2,837,508	109.6%
2026	787,789	1,433,880	2,205,654	2,691,624	121.2%
2027	674,200	1,225,732	2,075,807	2,560,144	134.7%
2028	574,830	1,043,538	1,946,025	2,415,787	149.3%
2029	488,152	884,572	1,829,853	2,285,704	166.5%
2030	412,768	746,332	1,719,066	2,159,845	186.3%
2031	347,409	626,542	1,615,535	2,023,973	207.8%
2032	290,942	523,154	1,513,402	1,890,371	232.2%
2033	242,348	434,321	1,406,456	1,749,818	258.6%
2034	200,707	358,367	1,301,408	1,609,796	287.9%
2035	165,193	293,776	1,196,206	1,473,587	321.1%
2036	135,071	239,185	1,096,613	1,337,657	357.4%
2037	109,685	193,360	1,000,779	1,206,769	398.2%
2038	88,437	155,177	905,340	1,079,443	443.1%
2039	70,780	123,604	812,839	956,061	491.8%
2040	56,216	97,705	721,490	839,431	545.4%
2041	44,297	76,637	636,122	731,080	604.5%
2042	34,624	59,650	557,098	631,320	669.7%
2043	26,842	46,078	483,939	541,026	742.0%
2044	20,636	35,330	416,521	458,371	819.0%
2045	15,731	26,897	354,174	384,536	902.1%
2046	11,892	20,341	297,857	319,331	990.7%
2047	8,916	15,292	247,405	262,385	1083.9%
2048	6,631	11,437	203,911	216,442	1197.9%
2049	4,893	8,517	166,162	177,063	1320.4%
2050	3,583	6,320	133,832	143,816	1452.3%
2051	2,604	4,676	106,262	115,896	1591.8%
PV of Future @ 4	10,613,704	19,319,042		35,825,525	119.7%
Total	162,811,437	35,390,071		140,348,200	70.8%

Exhibit 5C
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with Third of Three 32.8% Rate Increases: Rate Stabilization
Nationwide PAL1, QLT1, WAL1, QLW1 (12/31/2018)

Year	Earned Initial Premium	Earned Rate Increase Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	-	-	-	0.0%
1999	102,507	-	4,674	4,674	4.6%
2000	2,599,547	-	130,246	130,246	5.0%
2001	3,584,882	-	639,514	639,514	17.8%
2002	4,588,591	-	1,086,677	1,086,677	23.7%
2003	5,189,568	-	1,825,310	1,825,310	35.2%
2004	5,957,734	-	2,354,720	2,354,720	39.5%
2005	6,619,449	-	3,047,384	3,047,384	46.0%
2006	7,328,653	-	3,413,658	3,413,658	46.6%
2007	7,828,366	-	4,064,396	4,064,396	51.9%
2008	7,830,214	-	4,957,913	4,957,913	63.3%
2009	7,972,665	-	4,748,634	4,748,634	59.6%
2010	7,302,571	303,895	1,830,031	3,796,118	49.9%
2011	6,259,685	604,349	3,980,744	5,457,584	79.5%
2012	5,157,113	1,132,735	4,918,153	7,793,964	123.9%
2013	4,488,402	1,484,039	5,157,654	4,486,575	75.1%
2014	3,784,397	1,858,991	5,504,049	6,432,691	114.0%
2015	3,249,498	1,966,363	5,508,624	6,944,830	133.1%
2016	2,547,368	2,237,338	5,682,767	6,233,876	130.3%
2017	2,078,403	2,168,568	5,104,219	4,761,120	112.1%
2018	1,749,597	2,054,848	4,217,236	3,215,130	84.5%
Cumulative @ 4.	152,197,733	16,071,029		104,522,675	62.1%
2019	1,351,626	2,489,189	3,410,197	3,752,939	97.7%
2020	1,585,241	2,909,112	3,205,723	3,583,021	79.7%
2021	1,814,478	3,336,400	3,013,897	3,411,649	66.2%
2022	1,808,715	3,328,811	2,825,847	3,263,689	63.5%
2023	1,570,779	2,889,701	2,642,037	3,099,978	69.5%
2024	1,359,364	2,499,196	2,486,453	2,972,176	77.0%
2025	1,172,330	2,153,453	2,339,619	2,837,508	85.3%
2026	1,007,522	1,848,585	2,205,654	2,691,624	94.2%
2027	862,821	1,580,772	2,075,807	2,560,144	104.8%
2028	736,183	1,346,317	1,946,025	2,415,787	116.0%
2029	625,672	1,141,724	1,829,853	2,285,704	129.3%
2030	529,510	963,774	1,719,066	2,159,845	144.6%
2031	446,089	809,538	1,615,535	2,023,973	161.2%
2032	373,968	676,382	1,513,402	1,890,371	180.0%
2033	311,853	561,929	1,406,456	1,749,818	200.3%
2034	258,576	464,021	1,301,408	1,609,796	222.8%
2035	213,091	380,714	1,196,206	1,473,587	248.2%
2036	174,467	310,254	1,096,613	1,337,657	276.0%
2037	141,871	251,059	1,000,779	1,206,769	307.1%
2038	114,547	201,687	905,340	1,079,443	341.3%
2039	91,806	160,820	812,839	956,061	378.4%
2040	73,018	127,259	721,490	839,431	419.1%
2041	57,616	99,926	636,122	731,080	464.1%
2042	45,095	77,860	557,098	631,320	513.5%
2043	35,004	60,207	483,939	541,026	568.2%
2044	26,944	46,211	416,521	458,371	626.6%
2045	20,565	35,216	354,174	384,536	689.4%
2046	15,564	26,660	297,857	319,331	756.3%
2047	11,681	20,062	247,405	262,385	826.6%
2048	8,696	15,020	203,911	216,442	912.6%
2049	6,423	11,196	166,162	177,063	1004.9%
2050	4,708	8,316	133,832	143,816	1104.2%
2051	3,426	6,159	106,262	115,896	1209.1%
PV of Future @ 4	12,761,374	23,384,675		35,825,525	99.1%
Total	164,959,107	39,455,705		140,348,200	68.7%

Exhibit 7

United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Current Expectations with 109.64% Rate Incr & 10% morbidity Incr
 Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

Year	Cash Premium	Earned Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	154,014	-	-	0.0%
1999	102,507	102,507	4,674	4,674	4.6%
2000	2,599,547	2,599,547	130,246	130,246	5.0%
2001	3,584,882	3,584,882	639,514	639,514	17.8%
2002	4,588,591	4,588,591	1,086,677	1,086,677	23.7%
2003	5,189,568	5,189,568	1,825,310	1,825,310	35.2%
2004	5,957,734	5,957,734	2,354,720	2,354,720	39.5%
2005	6,619,449	6,619,449	3,047,384	3,047,384	46.0%
2006	7,328,653	7,328,653	3,413,658	3,413,658	46.6%
2007	7,828,366	7,828,366	4,064,396	4,064,396	51.9%
2008	7,830,214	7,830,214	4,957,913	4,957,913	63.3%
2009	7,972,665	7,972,665	4,748,634	4,748,634	59.6%
2010	7,453,351	7,606,466	1,830,031	3,796,118	49.9%
2011	6,720,206	6,864,034	3,980,744	5,457,584	79.5%
2012	6,294,714	6,289,848	4,918,153	7,793,964	123.9%
2013	5,893,762	5,972,441	5,157,654	4,486,575	75.1%
2014	5,559,989	5,643,388	5,504,049	6,432,691	114.0%
2015	5,138,780	5,215,861	5,508,624	6,944,830	133.1%
2016	4,713,995	4,784,705	5,682,767	6,233,876	130.3%
2017	4,184,209	4,246,972	5,104,219	4,761,120	112.1%
2018	3,748,222	3,804,445	4,217,236	3,215,130	84.5%
Cumulative @ 4.35%		168,268,763		104,522,675	62.1%
2019	4,642,348	4,711,983	3,751,216	4,128,233	87.6%
2020	5,750,586	5,836,845	3,526,296	3,941,323	67.5%
2021	5,211,595	5,289,769	3,315,287	3,752,813	70.9%
2022	4,598,880	4,667,863	3,108,432	3,590,058	76.9%
2023	3,992,482	4,052,369	2,906,241	3,409,976	84.1%
2024	3,453,379	3,505,180	2,735,098	3,269,394	93.3%
2025	2,976,214	3,020,857	2,573,581	3,121,259	103.3%
2026	2,555,575	2,593,909	2,426,219	2,960,786	114.1%
2027	2,186,141	2,218,933	2,283,387	2,816,158	126.9%
2028	1,862,769	1,890,710	2,140,628	2,657,366	140.5%
2029	1,580,591	1,604,300	2,012,838	2,514,275	156.7%
2030	1,335,136	1,355,163	1,890,972	2,375,829	175.3%
2031	1,122,341	1,139,176	1,777,088	2,226,370	195.4%
2032	938,561	952,639	1,664,742	2,079,408	218.3%
2033	780,511	792,218	1,547,102	1,924,799	243.0%
2034	645,212	654,890	1,431,548	1,770,776	270.4%
2035	529,984	537,934	1,315,827	1,620,945	301.3%
2036	432,423	438,910	1,206,275	1,471,423	335.2%
2037	350,363	355,618	1,100,857	1,327,446	373.3%
2038	281,832	286,059	995,874	1,187,387	415.1%
2039	225,025	228,400	894,122	1,051,667	460.4%
2040	178,300	180,974	793,639	923,374	510.2%
2041	140,179	142,282	699,734	804,188	565.2%
2042	109,346	110,986	612,807	694,452	625.7%
2043	84,629	85,899	532,333	595,129	692.8%
2044	64,991	65,966	458,173	504,208	764.3%
2045	49,532	50,274	389,592	422,990	841.4%
2046	37,475	38,037	327,643	351,264	923.5%
2047	28,160	28,582	272,145	288,624	1009.8%
2048	21,029	21,344	224,302	238,086	1115.5%
2049	15,616	15,850	182,778	194,769	1228.8%
2050	11,538	11,711	147,215	158,198	1350.8%
2051	8,487	8,615	116,888	127,486	1479.9%
PV of Future @ 4.35%		36,145,429		39,408,078	109.0%
Total		204,414,192		143,930,753	70.4%

Exhibit 7A

United Security Assurance Company of PA

Business Assumed from National States Insurance Co.

Current Expectations with 109.64% Rate Incr & 10% morbidity Incr

Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

Year	Initial Premium	Rate Increase Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	-	-	-	0.0%
1999	102,507	-	4,674	4,674	4.6%
2000	2,599,547	-	130,246	130,246	5.0%
2001	3,584,882	-	639,514	639,514	17.8%
2002	4,588,591	-	1,086,677	1,086,677	23.7%
2003	5,189,568	-	1,825,310	1,825,310	35.2%
2004	5,957,734	-	2,354,720	2,354,720	39.5%
2005	6,619,449	-	3,047,384	3,047,384	46.0%
2006	7,328,653	-	3,413,658	3,413,658	46.6%
2007	7,828,366	-	4,064,396	4,064,396	51.9%
2008	7,830,214	-	4,957,913	4,957,913	63.3%
2009	7,972,665	-	4,748,634	4,748,634	59.6%
2010	7,302,571	303,895	1,830,031	3,796,118	49.9%
2011	6,259,685	604,349	3,980,744	5,457,584	79.5%
2012	5,157,113	1,132,735	4,918,153	7,793,964	123.9%
2013	4,488,402	1,484,039	5,157,654	4,486,575	75.1%
2014	3,784,397	1,858,991	5,504,049	6,432,691	114.0%
2015	3,249,498	1,966,363	5,508,624	6,944,830	133.1%
2016	2,547,368	2,237,338	5,682,767	6,233,876	130.3%
2017	2,078,403	2,168,568	5,104,219	4,761,120	112.1%
2018	1,749,597	2,054,848	4,217,236	3,215,130	84.5%
Cumulativ	152,197,733	16,071,029		104,522,675	62.1%
2019	1,070,870	3,641,113	3,751,216	4,128,233	87.6%
2020	1,314,284	4,522,560	3,526,296	3,941,323	67.5%
2021	1,202,011	4,087,758	3,315,287	3,752,813	70.9%
2022	1,064,799	3,603,064	3,108,432	3,590,058	76.9%
2023	925,088	3,127,281	2,906,241	3,409,976	84.1%
2024	800,879	2,704,301	2,735,098	3,269,394	93.3%
2025	690,920	2,329,937	2,573,581	3,121,259	103.3%
2026	593,956	1,999,953	2,426,219	2,960,786	114.1%
2027	508,753	1,710,180	2,283,387	2,816,158	126.9%
2028	434,122	1,456,588	2,140,628	2,657,366	140.5%
2029	368,938	1,235,362	2,012,838	2,514,275	156.7%
2030	312,173	1,042,990	1,890,972	2,375,829	175.3%
2031	262,896	876,281	1,777,088	2,226,370	195.4%
2032	220,273	732,366	1,664,742	2,079,408	218.3%
2033	183,555	608,663	1,547,102	1,924,799	243.0%
2034	152,061	502,829	1,431,548	1,770,776	270.4%
2035	125,181	412,753	1,315,827	1,620,945	301.3%
2036	102,369	336,541	1,206,275	1,471,423	335.2%
2037	83,134	272,485	1,100,857	1,327,446	373.3%
2038	67,028	219,031	995,874	1,187,387	415.1%
2039	53,642	174,759	894,122	1,051,667	460.4%
2040	42,599	138,375	793,639	923,374	510.2%
2041	33,562	108,720	699,734	804,188	565.2%
2042	26,228	84,758	612,807	694,452	625.7%
2043	20,328	65,570	532,333	595,129	692.8%
2044	15,624	50,342	458,173	504,208	764.3%
2045	11,908	38,367	389,592	422,990	841.4%
2046	8,999	29,038	327,643	351,264	923.5%
2047	6,745	21,837	272,145	288,624	1009.8%
2048	5,015	16,330	224,302	238,086	1115.5%
2049	3,699	12,151	182,778	194,769	1228.8%
2050	2,708	9,003	147,215	158,198	1350.8%
2051	1,968	6,647	116,888	127,486	1479.9%
PV of Futu	8,246,195	27,899,234		39,408,078	109.0%
Total	160,443,928	43,970,264		143,930,753	70.4%

Exhibit 8
 Demonstration that Lifetime Incurred Claims with Requested Series of 3 Annual 32.8% Increases Are Not Less Than
 Lifetime Earned Premium with Prescribed Factors
 Nationwide PAL1, QLT1, WAL1, QLT1 (December 31, 2018)
 All Policies

1	Accumulated Value of Initial Earned Premium	152,197,733	x 58% =	88,274,685
2a	Accumulated Value of Earned Premium	168,268,763		
2b	Accumulated Value of Prior Premium Rate Schedule Increases (2a - 1)	16,071,029	x 85% =	13,660,375
3	Present Value of Future Projected Initial Earned Premium	12,761,374	x 58% =	7,401,597
4a	Present Value of Future Projected Premium	36,146,049		
4b	Present Value of Future Projected Premium in excess of initial earned premiums (4a - 3)	23,384,675	x 85% =	19,876,974
5	Lifetime Earned Premium Times Prescribed Factor: (1 + 2b + 3 + 4b)			129,213,631
6a	Accumulated Value of Incurred Claims without Inclusion of Active Life Reserves			104,522,675
6b	Present Value of Future Projected Incurred Claims without Inclusion of Active Life Reserves			35,825,525
7	Lifetime Incurred Claims (6a + 6b)			140,348,200
8	Test: 7 greater than or equal to 5			Pass
	Item 7 / Item 5			108.6%

Exhibit 1
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Nationwide PAL1, QLT1, WAL1, QLT1 (December 31, 2018)

<u>Model Issue Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 55	56	123,655	3.47%
55-59	87	238,878	6.69%
60-64	229	640,158	17.94%
65-69	267	888,363	24.90%
70-74	197	649,918	18.21%
75-79	144	613,429	17.19%
<u>> 80</u>	<u>78</u>	<u>413,973</u>	<u>11.60%</u>
Total	1,058	3,568,373	67.7 avg

<u>Attained Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 50	-	-	0.00%
50-59	3	3,109	0.09%
60-69	80	200,866	5.63%
70-79	353	1,053,960	29.54%
80-89	430	1,494,476	41.88%
90-99	189	801,762	22.47%
<u>> 99</u>	<u>3</u>	<u>14,200</u>	<u>0.40%</u>
Total	1,058	3,568,373	81.5 avg

<u>Benefit Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
1 Year	167	461,300	12.93%
2 Year	239	760,260	21.31%
3 Year	287	956,400	26.80%
4 Year	122	458,445	12.85%
<u>5 Year</u>	<u>243</u>	<u>931,968</u>	<u>26.12%</u>
Total	1,058	3,568,373	3.0 avg

<u>Elimination Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
0 Days	322	937,690	26.28%
20 Days	210	662,357	18.56%
100 Days	519	1,947,298	54.57%
<u>180 Days</u>	<u>7</u>	<u>21,028</u>	<u>0.59%</u>
Total	1,058	3,568,373	54.2 avg

<u>Inflation Option</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
None	744	2,443,289	68.47%
<u>5% Compound (lifetime)</u>	<u>314</u>	<u>1,125,084</u>	<u>31.53%</u>
Total	1,058	3,568,373	1.6% avg

<u>HHC Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
No	481	1,371,501	38.43%
<u>Yes</u>	<u>577</u>	<u>2,196,872</u>	<u>61.57%</u>
Total	1,058	3,568,373	

Exhibit 1
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

<u>Initial Daily Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 60	60	113,654	3.19%
60-69	42	131,523	3.69%
70-79	17	40,113	1.12%
80-89	51	193,077	5.41%
90-99	23	70,881	1.99%
100-109	351	1,126,241	31.56%
110-119	32	115,668	3.24%
120-129	124	429,664	12.04%
130-139	69	218,095	6.11%
140-149	62	227,565	6.38%
150-159	119	387,247	10.85%
160-169	26	115,233	3.23%
170-179	7	37,523	1.05%
180-189	7	28,513	0.80%
190-199	3	9,781	0.27%
<u>> 199</u>	<u>65</u>	<u>323,595</u>	<u>9.07%</u>
Total	1,058	3,568,373	120.3 avg

<u>Policy Form</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
PAL1	529	1,697,255	47.56%
QLT1	374	1,097,745	30.76%
WAL1	79	324,974	9.11%
<u>QLW1</u>	<u>76</u>	<u>448,399</u>	<u>12.57%</u>
Total	1,058	3,568,373	

<u>UWC</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
AA	690	2,110,354	59.14%
<u>A</u>	<u>368</u>	<u>1,458,019</u>	<u>40.86%</u>
Total	1,058	3,568,373	

<u>Incurred Age</u>	<u>Policy Count</u>	<u>Percent</u>
< 50	-	0.00%
50-59	1	1.09%
60-69	2	2.17%
70-79	16	17.39%
80-89	49	53.26%
90-99	24	26.09%
<u>> 99</u>	<u>-</u>	<u>0.00%</u>
Total	92	84.7 avg

Exhibit 1A
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Virginia PAL1, QLT1 (December 31, 2018)

<u>Model Issue Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 55	-	-	0.00%
55-59	-	-	0.00%
60-64	2	4,164	28.13%
65-69	1	2,036	13.75%
70-74	-	-	0.00%
75-79	4	8,603	58.12%
<u>> 80</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	71.3 avg

<u>Attained Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 50	-	-	0.00%
50-59	-	-	0.00%
60-69	-	-	0.00%
70-79	1	2,519	17.02%
80-89	3	6,188	41.80%
90-99	3	6,096	41.18%
<u>> 99</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	85.7 avg

<u>Benefit Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
1 Year	1	1,702	11.50%
2 Year	3	5,613	37.92%
3 Year	1	2,933	19.81%
4 Year	-	-	0.00%
<u>5 Year</u>	<u>2</u>	<u>4,555</u>	<u>30.77%</u>
Total	7	14,803	2.9 avg

<u>Elimination Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
0 Days	5	11,697	79.02%
20 Days	2	3,106	20.98%
100 Days	-	-	0.00%
<u>180 Days</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	5.7 avg

<u>Inflation Option</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
None	6	13,158	88.89%
<u>5% Compound (lifetime)</u>	<u>1</u>	<u>1,645</u>	<u>11.11%</u>
Total	7	14,803	avg

<u>HHC Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
No	-	-	0.00%
<u>Yes</u>	<u>7</u>	<u>14,803</u>	<u>100.00%</u>
Total	7	14,803	

Exhibit 1A
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Virginia PAL1, QLT1 (December 31, 2018)

<u>Initial Daily Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
< 60	1	1,461	9.87%
60-69	-	-	0.00%
70-79	-	-	0.00%
80-89	-	-	0.00%
90-99	-	-	0.00%
100-109	5	10,823	73.11%
110-119	-	-	0.00%
120-129	-	-	0.00%
130-139	-	-	0.00%
140-149	-	-	0.00%
150-159	1	2,519	17.02%
160-169	-	-	0.00%
170-179	-	-	0.00%
180-189	-	-	0.00%
190-199	-	-	0.00%
<u>> 199</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	105.0 avg

<u>Policy Form</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
PAL1	7	14,803	100.00%
QLT1	-	-	0.00%
WAL1	-	-	0.00%
<u>QLW1</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total	7	14,803	

<u>UWC</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent</u>
AA	5	10,639	71.87%
<u>A</u>	<u>2</u>	<u>4,164</u>	<u>28.13%</u>
Total	7	14,803	

<u>Incurred Age</u>	<u>Policy Count</u>	<u>Percent</u>
< 50	-	0.00%
50-59	-	0.00%
60-69	-	0.00%
70-79	-	0.00%
80-89	1	100.00%
90-99	-	0.00%
<u>> 99</u>	<u>-</u>	<u>0.00%</u>
Total	1	88.0 avg

Exhibit 2
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Original Pricing Loss Ratios

	Policy Form
	<hr/> PAL1
DURATION	
1	13%
2	31%
3	42%
4	48%
5	57%
6	64%
7	71%
8	81%
9	91%
10	102%
11	113%
12	124%
13	139%
14	154%
15	170%
16	185%
17	199%
18	216%
19	235%
20	254%
21	273%
22	291%
23	311%
24	333%
25	356%
Lifetime	60%

United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Current Expectations with No Rate Increase
Nationwide PAL1, QLT1, WAL1, QLTW1 (December 31, 2018)

Year	Cash Premium	Earned Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	154,014	-	-	0.0%
1999	102,507	102,507	4,674	4,674	4.6%
2000	2,599,547	2,599,547	130,246	130,246	5.0%
2001	3,584,882	3,584,882	639,514	639,514	17.8%
2002	4,588,591	4,588,591	1,086,677	1,086,677	23.7%
2003	5,189,568	5,189,568	1,825,310	1,825,310	35.2%
2004	5,957,734	5,957,734	2,354,720	2,354,720	39.5%
2005	6,619,449	6,619,449	3,047,384	3,047,384	46.0%
2006	7,328,653	7,328,653	3,413,658	3,413,658	46.6%
2007	7,828,366	7,828,366	4,064,396	4,064,396	51.9%
2008	7,830,214	7,830,214	4,957,913	4,957,913	63.3%
2009	7,972,665	7,972,665	4,748,634	4,748,634	59.6%
2010	7,453,351	7,606,466	1,830,031	3,796,118	49.9%
2011	6,720,206	6,864,034	3,980,744	5,457,584	79.5%
2012	6,294,714	6,289,848	4,918,153	7,793,964	123.9%
2013	5,893,762	5,972,441	5,157,654	4,486,575	75.1%
2014	5,559,989	5,643,388	5,504,049	6,432,691	114.0%
2015	5,138,780	5,215,861	5,508,624	6,944,830	133.1%
2016	4,713,995	4,784,705	5,682,767	6,233,876	130.3%
2017	4,184,209	4,246,972	5,104,219	4,761,120	112.1%
2018	3,748,222	3,804,445	4,217,236	3,215,130	84.5%
Cumulative @ 4.35%		168,268,763		104,522,675	62.1%
2019	3,444,759	3,496,430	3,410,197	3,752,939	107.3%
2020	3,181,686	3,229,411	3,205,723	3,583,021	110.9%
2021	2,952,347	2,996,632	3,013,897	3,411,649	113.8%
2022	2,567,623	2,606,137	2,825,847	3,263,689	125.2%
2023	2,224,317	2,257,681	2,642,037	3,099,978	137.3%
2024	1,919,510	1,948,303	2,486,453	2,972,176	152.6%
2025	1,650,159	1,674,911	2,339,619	2,837,508	169.4%
2026	1,413,161	1,434,359	2,205,654	2,691,624	187.7%
2027	1,205,450	1,223,532	2,075,807	2,560,144	209.2%
2028	1,024,046	1,039,407	1,946,025	2,415,787	232.4%
2029	866,133	879,125	1,829,853	2,285,704	260.0%
2030	729,124	740,061	1,719,066	2,159,845	291.8%
2031	610,675	619,835	1,615,535	2,023,973	326.5%
2032	508,687	516,317	1,513,402	1,890,371	366.1%
2033	421,271	427,590	1,406,456	1,749,818	409.2%
2034	346,713	351,914	1,301,408	1,609,796	457.4%
2035	283,471	287,723	1,196,206	1,473,587	512.2%
2036	230,163	233,615	1,096,613	1,337,657	572.6%
2037	185,544	188,327	1,000,779	1,206,769	640.8%
2038	148,480	150,707	905,340	1,079,443	716.3%
2039	117,933	119,702	812,839	956,061	798.7%
2040	92,957	94,351	721,490	839,431	889.7%
2041	72,705	73,795	636,122	731,080	990.7%
2042	56,425	57,272	557,098	631,320	1102.3%
2043	43,455	44,107	483,939	541,026	1226.6%
2044	33,212	33,710	416,521	458,371	1359.8%
2045	25,194	25,572	354,174	384,536	1503.8%
2046	18,975	19,260	297,857	319,331	1658.0%
2047	14,196	14,409	247,405	262,385	1821.0%
2048	10,555	10,713	203,911	216,442	2020.3%
2049	7,805	7,922	166,162	177,063	2235.2%
2050	5,742	5,828	133,832	143,816	2467.8%
2051	4,205	4,268	106,262	115,896	2715.5%
PV of Future @ 4.35%		20,883,576		35,825,525	171.5%
Total		189,152,338		140,348,200	74.2%

Exhibit 3A
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Historical Experience

Virginia Experience Only (December 31, 2018)

<u>Year</u>	<u>Cash Premium</u>	<u>Earned Premium</u>	<u>Paid Claims</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1997	-	-	-	-	0.0%
1998	-	-	-	-	0.0%
1999	-	-	-	-	0.0%
2000	5,092	5,092	-	-	0.0%
2001	17,067	17,067	-	-	0.0%
2002	22,334	22,334	-	-	0.0%
2003	24,674	24,674	-	-	0.0%
2004	23,546	23,546	-	-	0.0%
2005	24,560	24,560	-	-	0.0%
2006	25,639	25,639	64,830	64,830	252.9%
2007	22,868	22,868	77,675	77,675	339.7%
2008	22,460	22,460	57,800	57,800	257.3%
2009	21,777	21,777	50,512	50,512	232.0%
2010	38,549	39,287	1,934	(19,933)	-50.7%
2011	22,598	23,901	47,281	96,895	405.4%
2012	22,972	22,601	48,855	114,286	505.7%
2013	23,861	23,876	62,927	(63,520)	-266.0%
2014	21,222	21,540	10,417	62,363	289.5%
2015	21,662	21,986	25,578	1,367	6.2%
2016	20,474	20,781	14,256	(13,479)	-64.9%
2017	19,286	19,575	27,420	137,102	700.4%
2018	18,417	18,693	36,898	30,102	161.0%
Cumulative @ 4.35%		639,989		817,414	127.7%

United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Current Expectations with a one-time 109.645% Rate Increase
Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

<u>Year</u>	<u>Earned Initial Premium</u>	<u>Earned Rate Increase Premium</u>	<u>Paid Claims</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1997	-	-	-	-	0.0%
1998	154,014	154,014	-	-	0.0%
1999	102,507	102,507	4,674	4,674	4.6%
2000	2,599,547	2,599,547	130,246	130,246	5.0%
2001	3,584,882	3,584,882	639,514	639,514	17.8%
2002	4,588,591	4,588,591	1,086,677	1,086,677	23.7%
2003	5,189,568	5,189,568	1,825,310	1,825,310	35.2%
2004	5,957,734	5,957,734	2,354,720	2,354,720	39.5%
2005	6,619,449	6,619,449	3,047,384	3,047,384	46.0%
2006	7,328,653	7,328,653	3,413,658	3,413,658	46.6%
2007	7,828,366	7,828,366	4,064,396	4,064,396	51.9%
2008	7,830,214	7,830,214	4,957,913	4,957,913	63.3%
2009	7,972,665	7,972,665	4,748,634	4,748,634	59.6%
2010	7,453,351	7,606,466	1,830,031	3,796,118	49.9%
2011	6,720,206	6,864,034	3,980,744	5,457,584	79.5%
2012	6,294,714	6,289,848	4,918,153	7,793,964	123.9%
2013	5,893,762	5,972,441	5,157,654	4,486,575	75.1%
2014	5,559,989	5,643,388	5,504,049	6,432,691	114.0%
2015	5,138,780	5,215,861	5,508,624	6,944,830	133.1%
2016	4,713,995	4,784,705	5,682,767	6,233,876	130.3%
2017	4,184,209	4,246,972	5,104,219	4,761,120	112.1%
2018	3,748,222	3,804,445	4,217,236	3,215,130	84.5%
Cumulative @ 4.35%		168,268,763	0%	104,522,675	62.1%
2019	4,642,393	4,712,029	3,410,197	3,752,939	79.6%
2020	5,750,702	5,836,963	3,205,723	3,583,021	61.4%
2021	5,211,697	5,289,872	3,013,897	3,411,649	64.5%
2022	4,598,969	4,667,954	2,825,847	3,263,689	69.9%
2023	3,992,560	4,052,448	2,642,037	3,099,978	76.5%
2024	3,453,447	3,505,248	2,486,453	2,972,176	84.8%
2025	2,976,273	3,020,917	2,339,619	2,837,508	93.9%
2026	2,555,626	2,593,960	2,205,654	2,691,624	103.8%
2027	2,186,185	2,218,977	2,075,807	2,560,144	115.4%
2028	1,862,806	1,890,748	1,946,025	2,415,787	127.8%
2029	1,580,622	1,604,332	1,829,853	2,285,704	142.5%
2030	1,335,163	1,355,190	1,719,066	2,159,845	159.4%
2031	1,122,364	1,139,200	1,615,535	2,023,973	177.7%
2032	938,580	952,659	1,513,402	1,890,371	198.4%
2033	780,527	792,234	1,406,456	1,749,818	220.9%
2034	645,225	654,904	1,301,408	1,609,796	245.8%
2035	529,995	537,945	1,196,206	1,473,587	273.9%
2036	432,432	438,919	1,096,613	1,337,657	304.8%
2037	350,370	355,626	1,000,779	1,206,769	339.3%
2038	281,838	286,065	905,340	1,079,443	377.3%
2039	225,030	228,405	812,839	956,061	418.6%
2040	178,304	180,978	721,490	839,431	463.8%
2041	140,182	142,285	636,122	731,080	513.8%
2042	109,349	110,989	557,098	631,320	568.8%
2043	84,631	85,900	483,939	541,026	629.8%
2044	64,993	65,968	416,521	458,371	694.8%
2045	49,533	50,276	354,174	384,536	764.9%
2046	37,476	38,038	297,857	319,331	839.5%
2047	28,160	28,583	247,405	262,385	918.0%
2048	21,029	21,345	203,911	216,442	1014.0%
2049	15,616	15,851	166,162	177,063	1117.1%
2050	11,538	11,711	133,832	143,816	1228.0%
2051	8,488	8,615	106,262	115,896	1345.3%
PV of Future @ 4.35%		36,146,102	0%	35,825,525	99.1%
Total		204,414,864		140,348,200	68.7%

Exhibit 5A
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with First of Three 32.8% Rate Increases: Rate Stabilization
Nationwide PAL1, QLT1, WAL1, QLW1 (12/31/2018)

Year	Earned Initial Premium	Earned Rate Increase Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	-	-	-	0.0%
1999	102,507	-	4,674	4,674	4.6%
2000	2,599,547	-	130,246	130,246	5.0%
2001	3,584,882	-	639,514	639,514	17.8%
2002	4,588,591	-	1,086,677	1,086,677	23.7%
2003	5,189,568	-	1,825,310	1,825,310	35.2%
2004	5,957,734	-	2,354,720	2,354,720	39.5%
2005	6,619,449	-	3,047,384	3,047,384	46.0%
2006	7,328,653	-	3,413,658	3,413,658	46.6%
2007	7,828,366	-	4,064,396	4,064,396	51.9%
2008	7,830,214	-	4,957,913	4,957,913	63.3%
2009	7,972,665	-	4,748,634	4,748,634	59.6%
2010	7,302,571	303,895	1,830,031	3,796,118	49.9%
2011	6,259,685	604,349	3,980,744	5,457,584	79.5%
2012	5,157,113	1,132,735	4,918,153	7,793,964	123.9%
2013	4,488,402	1,484,039	5,157,654	4,486,575	75.1%
2014	3,784,397	1,858,991	5,504,049	6,432,691	114.0%
2015	3,249,498	1,966,363	5,508,624	6,944,830	133.1%
2016	2,547,368	2,237,338	5,682,767	6,233,876	130.3%
2017	2,078,403	2,168,568	5,104,219	4,761,120	112.1%
2018	1,749,597	2,054,848	4,217,236	3,215,130	84.5%
Cumulative @ 4.	152,197,733	16,071,029		104,522,675	62.1%
2019	1,351,626	2,489,189	3,410,197	3,752,939	97.7%
2020	1,284,761	2,316,322	3,205,723	3,583,021	99.5%
2021	1,199,771	2,126,386	3,013,897	3,411,649	102.6%
2022	1,150,696	2,061,376	2,825,847	3,263,689	101.6%
2023	997,491	1,787,646	2,642,037	3,099,978	111.3%
2024	861,511	1,544,364	2,486,453	2,972,176	123.5%
2025	741,376	1,329,128	2,339,619	2,837,508	137.0%
2026	635,686	1,139,501	2,205,654	2,691,624	151.6%
2027	543,058	973,079	2,075,807	2,560,144	168.9%
2028	462,154	827,532	1,946,025	2,415,787	187.3%
2029	391,702	700,657	1,829,853	2,285,704	209.2%
2030	330,540	590,430	1,719,066	2,159,845	234.5%
2031	277,612	495,011	1,615,535	2,023,973	262.0%
2032	231,978	412,749	1,513,402	1,890,371	293.2%
2033	192,791	342,153	1,406,456	1,749,818	327.1%
2034	159,286	281,872	1,301,408	1,609,796	364.9%
2035	130,781	230,683	1,196,206	1,473,587	407.7%
2036	106,667	187,487	1,096,613	1,337,657	454.7%
2037	86,399	151,292	1,000,779	1,206,769	507.7%
2038	69,484	121,189	905,340	1,079,443	566.1%
2039	55,469	96,349	812,839	956,061	629.7%
2040	43,946	76,017	721,490	839,431	699.7%
2041	34,545	59,514	636,122	731,080	777.3%
2042	26,938	46,237	557,098	631,320	862.7%
2043	20,837	35,652	483,939	541,026	957.8%
2044	15,985	27,288	416,521	458,371	1059.3%
2045	12,162	20,738	354,174	384,536	1168.8%
2046	9,176	15,657	297,857	319,331	1285.9%
2047	6,867	11,751	247,405	262,385	1409.3%
2048	5,098	8,775	203,911	216,442	1560.2%
2049	3,756	6,524	166,162	177,063	1722.5%
2050	2,746	4,833	133,832	143,816	1897.8%
2051	1,993	3,570	106,262	115,896	2083.7%
PV of Future @ 4	8,831,262	15,861,263		35,825,525	145.1%
Total	161,028,995	31,932,292		140,348,200	72.7%

Exhibit 5B
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with Second of Three 32.8% Rate Increases: Rate Stabilization
Nationwide PAL1, QLT1, WAL1, QLW1 (12/31/2018)

Year	Earned Initial Premium	Earned Rate Increase Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	-	-	-	0.0%
1999	102,507	-	4,674	4,674	4.6%
2000	2,599,547	-	130,246	130,246	5.0%
2001	3,584,882	-	639,514	639,514	17.8%
2002	4,588,591	-	1,086,677	1,086,677	23.7%
2003	5,189,568	-	1,825,310	1,825,310	35.2%
2004	5,957,734	-	2,354,720	2,354,720	39.5%
2005	6,619,449	-	3,047,384	3,047,384	46.0%
2006	7,328,653	-	3,413,658	3,413,658	46.6%
2007	7,828,366	-	4,064,396	4,064,396	51.9%
2008	7,830,214	-	4,957,913	4,957,913	63.3%
2009	7,972,665	-	4,748,634	4,748,634	59.6%
2010	7,302,571	303,895	1,830,031	3,796,118	49.9%
2011	6,259,685	604,349	3,980,744	5,457,584	79.5%
2012	5,157,113	1,132,735	4,918,153	7,793,964	123.9%
2013	4,488,402	1,484,039	5,157,654	4,486,575	75.1%
2014	3,784,397	1,858,991	5,504,049	6,432,691	114.0%
2015	3,249,498	1,966,363	5,508,624	6,944,830	133.1%
2016	2,547,368	2,237,338	5,682,767	6,233,876	130.3%
2017	2,078,403	2,168,568	5,104,219	4,761,120	112.1%
2018	1,749,597	2,054,848	4,217,236	3,215,130	84.5%
Cumulative @ 4.	152,197,733	16,071,029		104,522,675	62.1%
2019	1,351,626	2,489,189	3,410,197	3,752,939	97.7%
2020	1,585,241	2,909,112	3,205,723	3,583,021	79.7%
2021	1,463,820	2,646,151	3,013,897	3,411,649	83.0%
2022	1,417,242	2,584,693	2,825,847	3,263,689	81.6%
2023	1,230,248	2,243,258	2,642,037	3,099,978	89.2%
2024	1,064,131	1,939,642	2,486,453	2,972,176	98.9%
2025	917,210	1,670,857	2,339,619	2,837,508	109.6%
2026	787,789	1,433,880	2,205,654	2,691,624	121.2%
2027	674,200	1,225,732	2,075,807	2,560,144	134.7%
2028	574,830	1,043,538	1,946,025	2,415,787	149.3%
2029	488,152	884,572	1,829,853	2,285,704	166.5%
2030	412,768	746,332	1,719,066	2,159,845	186.3%
2031	347,409	626,542	1,615,535	2,023,973	207.8%
2032	290,942	523,154	1,513,402	1,890,371	232.2%
2033	242,348	434,321	1,406,456	1,749,818	258.6%
2034	200,707	358,367	1,301,408	1,609,796	287.9%
2035	165,193	293,776	1,196,206	1,473,587	321.1%
2036	135,071	239,185	1,096,613	1,337,657	357.4%
2037	109,685	193,360	1,000,779	1,206,769	398.2%
2038	88,437	155,177	905,340	1,079,443	443.1%
2039	70,780	123,604	812,839	956,061	491.8%
2040	56,216	97,705	721,490	839,431	545.4%
2041	44,297	76,637	636,122	731,080	604.5%
2042	34,624	59,650	557,098	631,320	669.7%
2043	26,842	46,078	483,939	541,026	742.0%
2044	20,636	35,330	416,521	458,371	819.0%
2045	15,731	26,897	354,174	384,536	902.1%
2046	11,892	20,341	297,857	319,331	990.7%
2047	8,916	15,292	247,405	262,385	1083.9%
2048	6,631	11,437	203,911	216,442	1197.9%
2049	4,893	8,517	166,162	177,063	1320.4%
2050	3,583	6,320	133,832	143,816	1452.3%
2051	2,604	4,676	106,262	115,896	1591.8%
PV of Future @ 4	10,613,704	19,319,042		35,825,525	119.7%
Total	162,811,437	35,390,071		140,348,200	70.8%

Exhibit 5C
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with Third of Three 32.8% Rate Increases: Rate Stabilization
Nationwide PAL1, QLT1, WAL1, QLW1 (12/31/2018)

Year	Earned Initial Premium	Earned Rate Increase Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	-	-	-	0.0%
1999	102,507	-	4,674	4,674	4.6%
2000	2,599,547	-	130,246	130,246	5.0%
2001	3,584,882	-	639,514	639,514	17.8%
2002	4,588,591	-	1,086,677	1,086,677	23.7%
2003	5,189,568	-	1,825,310	1,825,310	35.2%
2004	5,957,734	-	2,354,720	2,354,720	39.5%
2005	6,619,449	-	3,047,384	3,047,384	46.0%
2006	7,328,653	-	3,413,658	3,413,658	46.6%
2007	7,828,366	-	4,064,396	4,064,396	51.9%
2008	7,830,214	-	4,957,913	4,957,913	63.3%
2009	7,972,665	-	4,748,634	4,748,634	59.6%
2010	7,302,571	303,895	1,830,031	3,796,118	49.9%
2011	6,259,685	604,349	3,980,744	5,457,584	79.5%
2012	5,157,113	1,132,735	4,918,153	7,793,964	123.9%
2013	4,488,402	1,484,039	5,157,654	4,486,575	75.1%
2014	3,784,397	1,858,991	5,504,049	6,432,691	114.0%
2015	3,249,498	1,966,363	5,508,624	6,944,830	133.1%
2016	2,547,368	2,237,338	5,682,767	6,233,876	130.3%
2017	2,078,403	2,168,568	5,104,219	4,761,120	112.1%
2018	1,749,597	2,054,848	4,217,236	3,215,130	84.5%
Cumulative @ 4.	152,197,733	16,071,029		104,522,675	62.1%
2019	1,351,626	2,489,189	3,410,197	3,752,939	97.7%
2020	1,585,241	2,909,112	3,205,723	3,583,021	79.7%
2021	1,814,478	3,336,400	3,013,897	3,411,649	66.2%
2022	1,808,715	3,328,811	2,825,847	3,263,689	63.5%
2023	1,570,779	2,889,701	2,642,037	3,099,978	69.5%
2024	1,359,364	2,499,196	2,486,453	2,972,176	77.0%
2025	1,172,330	2,153,453	2,339,619	2,837,508	85.3%
2026	1,007,522	1,848,585	2,205,654	2,691,624	94.2%
2027	862,821	1,580,772	2,075,807	2,560,144	104.8%
2028	736,183	1,346,317	1,946,025	2,415,787	116.0%
2029	625,672	1,141,724	1,829,853	2,285,704	129.3%
2030	529,510	963,774	1,719,066	2,159,845	144.6%
2031	446,089	809,538	1,615,535	2,023,973	161.2%
2032	373,968	676,382	1,513,402	1,890,371	180.0%
2033	311,853	561,929	1,406,456	1,749,818	200.3%
2034	258,576	464,021	1,301,408	1,609,796	222.8%
2035	213,091	380,714	1,196,206	1,473,587	248.2%
2036	174,467	310,254	1,096,613	1,337,657	276.0%
2037	141,871	251,059	1,000,779	1,206,769	307.1%
2038	114,547	201,687	905,340	1,079,443	341.3%
2039	91,806	160,820	812,839	956,061	378.4%
2040	73,018	127,259	721,490	839,431	419.1%
2041	57,616	99,926	636,122	731,080	464.1%
2042	45,095	77,860	557,098	631,320	513.5%
2043	35,004	60,207	483,939	541,026	568.2%
2044	26,944	46,211	416,521	458,371	626.6%
2045	20,565	35,216	354,174	384,536	689.4%
2046	15,564	26,660	297,857	319,331	756.3%
2047	11,681	20,062	247,405	262,385	826.6%
2048	8,696	15,020	203,911	216,442	912.6%
2049	6,423	11,196	166,162	177,063	1004.9%
2050	4,708	8,316	133,832	143,816	1104.2%
2051	3,426	6,159	106,262	115,896	1209.1%
PV of Future @ 4	12,761,374	23,384,675		35,825,525	99.1%
Total	164,959,107	39,455,705		140,348,200	68.7%

Exhibit 7

United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 Current Expectations with 109.64% Rate Incr & 10% morbidity Incr
 Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

Year	Cash Premium	Earned Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	154,014	-	-	0.0%
1999	102,507	102,507	4,674	4,674	4.6%
2000	2,599,547	2,599,547	130,246	130,246	5.0%
2001	3,584,882	3,584,882	639,514	639,514	17.8%
2002	4,588,591	4,588,591	1,086,677	1,086,677	23.7%
2003	5,189,568	5,189,568	1,825,310	1,825,310	35.2%
2004	5,957,734	5,957,734	2,354,720	2,354,720	39.5%
2005	6,619,449	6,619,449	3,047,384	3,047,384	46.0%
2006	7,328,653	7,328,653	3,413,658	3,413,658	46.6%
2007	7,828,366	7,828,366	4,064,396	4,064,396	51.9%
2008	7,830,214	7,830,214	4,957,913	4,957,913	63.3%
2009	7,972,665	7,972,665	4,748,634	4,748,634	59.6%
2010	7,453,351	7,606,466	1,830,031	3,796,118	49.9%
2011	6,720,206	6,864,034	3,980,744	5,457,584	79.5%
2012	6,294,714	6,289,848	4,918,153	7,793,964	123.9%
2013	5,893,762	5,972,441	5,157,654	4,486,575	75.1%
2014	5,559,989	5,643,388	5,504,049	6,432,691	114.0%
2015	5,138,780	5,215,861	5,508,624	6,944,830	133.1%
2016	4,713,995	4,784,705	5,682,767	6,233,876	130.3%
2017	4,184,209	4,246,972	5,104,219	4,761,120	112.1%
2018	3,748,222	3,804,445	4,217,236	3,215,130	84.5%
Cumulative @ 4.35%		168,268,763		104,522,675	62.1%
2019	4,642,348	4,711,983	3,751,216	4,128,233	87.6%
2020	5,750,586	5,836,845	3,526,296	3,941,323	67.5%
2021	5,211,595	5,289,769	3,315,287	3,752,813	70.9%
2022	4,598,880	4,667,863	3,108,432	3,590,058	76.9%
2023	3,992,482	4,052,369	2,906,241	3,409,976	84.1%
2024	3,453,379	3,505,180	2,735,098	3,269,394	93.3%
2025	2,976,214	3,020,857	2,573,581	3,121,259	103.3%
2026	2,555,575	2,593,909	2,426,219	2,960,786	114.1%
2027	2,186,141	2,218,933	2,283,387	2,816,158	126.9%
2028	1,862,769	1,890,710	2,140,628	2,657,366	140.5%
2029	1,580,591	1,604,300	2,012,838	2,514,275	156.7%
2030	1,335,136	1,355,163	1,890,972	2,375,829	175.3%
2031	1,122,341	1,139,176	1,777,088	2,226,370	195.4%
2032	938,561	952,639	1,664,742	2,079,408	218.3%
2033	780,511	792,218	1,547,102	1,924,799	243.0%
2034	645,212	654,890	1,431,548	1,770,776	270.4%
2035	529,984	537,934	1,315,827	1,620,945	301.3%
2036	432,423	438,910	1,206,275	1,471,423	335.2%
2037	350,363	355,618	1,100,857	1,327,446	373.3%
2038	281,832	286,059	995,874	1,187,387	415.1%
2039	225,025	228,400	894,122	1,051,667	460.4%
2040	178,300	180,974	793,639	923,374	510.2%
2041	140,179	142,282	699,734	804,188	565.2%
2042	109,346	110,986	612,807	694,452	625.7%
2043	84,629	85,899	532,333	595,129	692.8%
2044	64,991	65,966	458,173	504,208	764.3%
2045	49,532	50,274	389,592	422,990	841.4%
2046	37,475	38,037	327,643	351,264	923.5%
2047	28,160	28,582	272,145	288,624	1009.8%
2048	21,029	21,344	224,302	238,086	1115.5%
2049	15,616	15,850	182,778	194,769	1228.8%
2050	11,538	11,711	147,215	158,198	1350.8%
2051	8,487	8,615	116,888	127,486	1479.9%
PV of Future @ 4.35%		36,145,429		39,408,078	109.0%
Total		204,414,192		143,930,753	70.4%

Exhibit 7A

United Security Assurance Company of PA

Business Assumed from National States Insurance Co.

Current Expectations with 109.64% Rate Incr & 10% morbidity Incr

Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

Year	Initial Premium	Rate Increase Premium	Paid Claims	Incurred Claims	Loss Ratio
1997	-	-	-	-	0.0%
1998	154,014	-	-	-	0.0%
1999	102,507	-	4,674	4,674	4.6%
2000	2,599,547	-	130,246	130,246	5.0%
2001	3,584,882	-	639,514	639,514	17.8%
2002	4,588,591	-	1,086,677	1,086,677	23.7%
2003	5,189,568	-	1,825,310	1,825,310	35.2%
2004	5,957,734	-	2,354,720	2,354,720	39.5%
2005	6,619,449	-	3,047,384	3,047,384	46.0%
2006	7,328,653	-	3,413,658	3,413,658	46.6%
2007	7,828,366	-	4,064,396	4,064,396	51.9%
2008	7,830,214	-	4,957,913	4,957,913	63.3%
2009	7,972,665	-	4,748,634	4,748,634	59.6%
2010	7,302,571	303,895	1,830,031	3,796,118	49.9%
2011	6,259,685	604,349	3,980,744	5,457,584	79.5%
2012	5,157,113	1,132,735	4,918,153	7,793,964	123.9%
2013	4,488,402	1,484,039	5,157,654	4,486,575	75.1%
2014	3,784,397	1,858,991	5,504,049	6,432,691	114.0%
2015	3,249,498	1,966,363	5,508,624	6,944,830	133.1%
2016	2,547,368	2,237,338	5,682,767	6,233,876	130.3%
2017	2,078,403	2,168,568	5,104,219	4,761,120	112.1%
2018	1,749,597	2,054,848	4,217,236	3,215,130	84.5%
Cumulativ	152,197,733	16,071,029		104,522,675	62.1%
2019	1,070,870	3,641,113	3,751,216	4,128,233	87.6%
2020	1,314,284	4,522,560	3,526,296	3,941,323	67.5%
2021	1,202,011	4,087,758	3,315,287	3,752,813	70.9%
2022	1,064,799	3,603,064	3,108,432	3,590,058	76.9%
2023	925,088	3,127,281	2,906,241	3,409,976	84.1%
2024	800,879	2,704,301	2,735,098	3,269,394	93.3%
2025	690,920	2,329,937	2,573,581	3,121,259	103.3%
2026	593,956	1,999,953	2,426,219	2,960,786	114.1%
2027	508,753	1,710,180	2,283,387	2,816,158	126.9%
2028	434,122	1,456,588	2,140,628	2,657,366	140.5%
2029	368,938	1,235,362	2,012,838	2,514,275	156.7%
2030	312,173	1,042,990	1,890,972	2,375,829	175.3%
2031	262,896	876,281	1,777,088	2,226,370	195.4%
2032	220,273	732,366	1,664,742	2,079,408	218.3%
2033	183,555	608,663	1,547,102	1,924,799	243.0%
2034	152,061	502,829	1,431,548	1,770,776	270.4%
2035	125,181	412,753	1,315,827	1,620,945	301.3%
2036	102,369	336,541	1,206,275	1,471,423	335.2%
2037	83,134	272,485	1,100,857	1,327,446	373.3%
2038	67,028	219,031	995,874	1,187,387	415.1%
2039	53,642	174,759	894,122	1,051,667	460.4%
2040	42,599	138,375	793,639	923,374	510.2%
2041	33,562	108,720	699,734	804,188	565.2%
2042	26,228	84,758	612,807	694,452	625.7%
2043	20,328	65,570	532,333	595,129	692.8%
2044	15,624	50,342	458,173	504,208	764.3%
2045	11,908	38,367	389,592	422,990	841.4%
2046	8,999	29,038	327,643	351,264	923.5%
2047	6,745	21,837	272,145	288,624	1009.8%
2048	5,015	16,330	224,302	238,086	1115.5%
2049	3,699	12,151	182,778	194,769	1228.8%
2050	2,708	9,003	147,215	158,198	1350.8%
2051	1,968	6,647	116,888	127,486	1479.9%
PV of Futu	8,246,195	27,899,234		39,408,078	109.0%
Total	160,443,928	43,970,264		143,930,753	70.4%

Exhibit 8
 Demonstration that Lifetime Incurred Claims with Requested Series of 3 Annual 32.8% Increases Are Not Less Than
 Lifetime Earned Premium with Prescribed Factors
 Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)
 All Policies

1	Accumulated Value of Initial Earned Premium	152,197,733	x 58% =	88,274,685
2a	Accumulated Value of Earned Premium	168,268,763		
2b	Accumulated Value of Prior Premium Rate Schedule Increases (2a - 1)	16,071,029	x 85% =	13,660,375
3	Present Value of Future Projected Initial Earned Premium	12,761,374	x 58% =	7,401,597
4a	Present Value of Future Projected Premium	36,146,049		
4b	Present Value of Future Projected Premium in excess of initial earned premiums (4a - 3)	23,384,675	x 85% =	19,876,974
5	Lifetime Earned Premium Times Prescribed Factor: (1 + 2b + 3 + 4b)			129,213,631
6a	Accumulated Value of Incurred Claims without Inclusion of Active Life Reserves			104,522,675
6b	Present Value of Future Projected Incurred Claims without Inclusion of Active Life Reserves			35,825,525
7	Lifetime Incurred Claims (6a + 6b)			140,348,200
8	Test: 7 greater than or equal to 5			Pass
	Item 7 / Item 5			108.6%

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	9.16	13.74	16.80	19.85	21.38	12.22	19.85	25.96	30.54	33.60
50	13.74	22.91	29.02	33.60	38.18	21.38	33.60	42.76	50.40	56.51
55	22.91	35.13	44.29	51.92	58.03	33.60	51.92	67.20	77.89	85.52
60	33.60	51.92	67.20	77.89	85.52	50.40	79.41	100.80	116.07	128.28
65	45.82	71.78	91.63	106.90	117.59	67.20	108.43	137.45	160.36	177.16
66	48.87	79.41	100.80	117.59	129.81	74.83	117.59	151.19	175.63	193.95
67	53.45	85.52	108.43	126.76	140.50	80.94	128.28	163.41	190.90	210.75
68	61.09	97.74	125.23	145.08	160.36	91.63	146.61	186.32	216.86	239.77
69	68.72	109.96	140.50	163.41	180.21	103.85	164.94	210.75	244.35	270.31
70	76.36	122.18	157.30	181.74	201.59	114.54	183.26	235.19	273.37	302.39
71	84.00	134.39	172.57	200.06	221.44	126.76	201.59	258.10	300.86	332.93
72	91.63	146.61	187.85	218.39	241.30	137.45	219.92	282.53	328.35	363.47
73	105.38	167.99	213.81	248.93	276.42	157.30	251.99	322.24	374.16	413.87
74	117.59	187.85	241.30	281.00	310.02	177.16	282.53	361.95	419.98	464.27
75	131.34	212.28	273.37	317.66	352.78	197.01	317.66	409.29	476.49	528.41
76	145.08	233.66	299.33	349.73	386.38	216.86	349.73	449.00	523.83	580.34
77	157.30	255.04	326.82	381.80	421.51	236.72	381.80	490.23	571.17	632.26
78	181.74	293.22	375.69	438.31	484.12	271.84	438.31	563.54	656.70	725.42
79	204.64	331.40	424.56	494.81	545.21	306.97	496.34	636.84	742.22	818.58
80	233.66	381.80	493.29	577.28	639.90	349.73	571.17	739.16	865.92	959.08
81	258.10	419.98	543.68	636.84	705.57	386.38	630.73	815.52	954.50	1,056.82
82	281.00	459.69	594.08	694.88	769.71	423.03	690.29	891.88	1,043.08	1,156.09
83	311.55	508.56	655.17	765.13	847.60	467.32	762.07	981.99	1,148.45	1,270.63
84	340.57	555.90	716.26	835.38	923.96	511.61	833.85	1,073.62	1,253.83	1,385.17
85	380.27	627.68	814.00	954.50	1,059.88	569.65	940.76	1,221.76	1,432.51	1,588.29
86	410.82	676.55				615.46	1,015.59			
87	441.36	726.95				661.28	1,090.42			
88	474.96	780.40				713.20	1,171.36			
89	510.08	835.38				765.13	1,252.30			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 20 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	7.64	12.22	16.80	18.33	21.38	12.22	18.33	24.44	27.49	32.07
50	13.74	21.38	27.49	32.07	35.13	19.85	32.07	41.23	47.34	53.45
55	19.85	32.07	41.23	48.87	54.98	30.54	48.87	62.62	73.31	80.94
60	30.54	48.87	62.62	73.31	80.94	45.82	73.31	94.69	109.96	122.18
65	41.23	67.20	87.05	100.80	111.49	62.62	100.80	129.81	151.19	167.99
66	45.82	73.31	94.69	109.96	122.18	68.72	109.96	142.03	164.94	183.26
67	48.87	79.41	102.32	120.65	132.87	74.83	120.65	154.25	180.21	198.54
68	56.51	91.63	117.59	137.45	151.19	84.00	137.45	175.63	206.17	227.55
69	64.14	102.32	132.87	154.25	171.05	94.69	154.25	198.54	230.61	255.04
70	70.25	114.54	148.14	172.57	190.90	105.38	172.57	221.44	258.10	285.59
71	77.89	126.76	161.88	189.37	209.23	116.07	189.37	242.82	284.06	314.60
72	84.00	137.45	177.16	206.17	229.08	126.76	206.17	265.73	310.02	343.62
73	96.21	157.30	201.59	235.19	261.15	145.08	235.19	302.39	354.31	390.96
74	108.43	177.16	227.55	264.21	293.22	161.88	264.21	340.57	397.07	439.83
75	120.65	198.54	256.57	299.33	332.93	181.74	297.80	384.85	450.52	497.87
76	132.87	218.39	282.53	329.88	365.00	200.06	326.82	423.03	494.81	548.26
77	145.08	238.24	306.97	358.89	398.60	216.86	357.36	461.21	539.10	597.14
78	166.46	273.37	352.78	412.34	456.63	250.46	410.82	529.94	618.52	684.19
79	189.37	310.02	398.60	465.80	514.67	282.53	464.27	598.66	699.46	772.76
80	213.81	355.84	462.74	542.16	601.72	320.71	532.99	693.35	814.00	902.58
81	236.72	392.49	510.08	598.66	664.33	354.31	589.50	765.13	897.99	995.73
82	258.10	429.14	557.43	653.64	725.42	387.91	644.48	836.91	980.46	1,087.37
83	285.59	473.43	613.93	719.31	797.20	429.14	710.15	920.90	1,079.73	1,195.80
84	313.08	517.72	670.44	784.98	868.98	470.38	777.34	1,006.42	1,177.47	1,302.70
85	348.20	583.39	760.55	894.94	994.21	522.30	875.09	1,142.35	1,342.41	1,490.55
86	377.22	630.73				565.06	945.34			
87	404.71	676.55				606.30	1,014.06			
88	436.78	726.95				653.64	1,088.89			
89	467.32	775.82				700.98	1,165.25			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 100 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	6.11	10.69	12.22	15.27	16.80	9.16	15.27	19.85	22.91	25.96
50	10.69	16.80	21.38	25.96	29.02	15.27	25.96	33.60	39.71	44.29
55	15.27	25.96	33.60	39.71	44.29	22.91	39.71	50.40	59.56	67.20
60	22.91	39.71	50.40	59.56	67.20	35.13	58.03	76.36	90.10	100.80
65	32.07	53.45	70.25	82.47	91.63	47.34	79.41	105.38	123.70	137.45
66	33.60	58.03	76.36	90.10	99.27	51.92	87.05	114.54	134.39	149.67
67	36.65	64.14	82.47	97.74	108.43	56.51	94.69	123.70	146.61	163.41
68	42.76	73.31	94.69	111.49	123.70	64.14	108.43	142.03	166.46	186.32
69	47.34	80.94	106.90	125.23	138.98	71.78	122.18	160.36	187.85	209.23
70	53.45	90.10	119.12	138.98	155.77	79.41	135.92	178.68	209.23	233.66
71	58.03	99.27	129.81	154.25	171.05	87.05	149.67	195.48	230.61	256.57
72	64.14	108.43	142.03	167.99	186.32	96.21	163.41	213.81	251.99	279.48
73	73.31	123.70	161.88	190.90	212.28	108.43	186.32	244.35	287.11	317.66
74	82.47	140.50	183.26	215.34	238.24	122.18	209.23	273.37	322.24	357.36
75	91.63	155.77	206.17	241.30	268.79	135.92	235.19	308.49	363.47	403.18
76	100.80	172.57	226.03	265.73	294.75	149.67	258.10	339.04	398.60	442.89
77	109.96	187.85	245.88	290.17	322.24	163.41	281.00	369.58	435.25	482.60
78	125.23	215.34	282.53	332.93	369.58	187.85	323.77	424.56	499.39	554.37
79	142.03	244.35	319.18	375.69	416.93	213.81	366.53	479.54	563.54	624.62
80	160.36	277.95	366.53	433.72	482.60	241.30	418.45	551.32	650.59	723.89
81	177.16	306.97	404.71	478.01	531.47	265.73	461.21	607.83	717.78	797.20
82	193.95	335.98	442.89	522.30	580.34	290.17	503.98	664.33	783.45	870.50
83	213.81	371.11	487.18	574.23	636.84	320.71	555.90	731.53	861.34	956.03
84	235.19	404.71	531.47	626.15	694.88	351.26	607.83	797.20	939.23	1,041.55
85	259.62	452.05	597.14	707.09	786.51	387.91	678.08	896.47	1,059.88	1,179.00
86	279.48	488.70				419.98	731.53			
87	300.86	523.83				450.52	784.98			
88	323.77	560.48				484.12	841.49			
89	345.15	598.66				519.25	897.99			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 180 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	4.58	9.16	12.22	13.74	15.27	7.64	13.74	18.33	21.38	22.91
50	9.16	15.27	19.85	24.44	25.96	13.74	22.91	30.54	35.13	39.71
55	13.74	22.91	30.54	36.65	41.23	19.85	35.13	45.82	54.98	61.09
60	19.85	35.13	45.82	54.98	61.09	30.54	51.92	68.72	82.47	91.63
65	27.49	47.34	62.62	74.83	84.00	41.23	71.78	94.69	111.49	125.23
66	30.54	51.92	68.72	82.47	91.63	45.82	79.41	103.85	122.18	137.45
67	32.07	56.51	74.83	88.58	99.27	48.87	85.52	113.01	132.87	148.14
68	36.65	65.67	85.52	100.80	113.01	56.51	97.74	128.28	152.72	169.52
69	42.76	73.31	96.21	114.54	126.76	62.62	109.96	145.08	171.05	190.90
70	45.82	80.94	106.90	126.76	142.03	70.25	122.18	161.88	190.90	212.28
71	50.40	90.10	117.59	138.98	155.77	76.36	134.39	177.16	209.23	233.66
72	56.51	97.74	128.28	152.72	169.52	84.00	146.61	193.95	229.08	255.04
73	64.14	111.49	146.61	174.10	192.43	96.21	167.99	221.44	261.15	290.17
74	71.78	125.23	164.94	195.48	216.86	106.90	187.85	247.41	293.22	325.29
75	79.41	140.50	186.32	219.92	244.35	119.12	210.75	277.95	328.35	366.53
76	87.05	154.25	204.64	241.30	268.79	131.34	232.13	305.44	361.95	401.65
77	96.21	167.99	222.97	262.68	291.70	143.56	251.99	332.93	394.02	438.31
78	109.96	193.95	255.04	300.86	334.46	164.94	290.17	383.33	452.05	502.45
79	123.70	218.39	288.64	340.57	377.22	186.32	328.35	432.20	510.08	566.59
80	140.50	248.93	329.88	390.96	435.25	210.75	372.64	494.81	586.44	653.64
81	154.25	274.90	365.00	430.67	479.54	232.13	412.34	546.74	646.01	719.31
82	169.52	300.86	398.60	470.38	523.83	253.52	450.52	597.14	707.09	784.98
83	186.32	329.88	438.31	517.72	574.23	279.48	496.34	656.70	775.82	861.34
84	204.64	360.42	476.49	563.54	624.62	306.97	542.16	716.26	844.54	937.70
85	224.50	401.65	534.52	632.26	704.04	337.51	601.72	800.25	948.39	1,055.30
86	242.82	432.20				363.47	649.06			
87	261.15	464.27				390.96	694.88			
88	279.48	496.34				418.45	743.75			
89	297.80	528.41				447.47	792.62			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	19.85	32.07	42.76	51.92	59.56	30.54	48.87	64.14	76.36	87.05
50	27.49	44.29	58.03	68.72	77.89	39.71	65.67	87.05	103.85	117.59
55	32.07	53.45	70.25	84.00	94.69	48.87	80.94	105.38	125.23	143.56
60	38.18	64.14	84.00	100.80	116.07	56.51	94.69	125.23	151.19	174.10
65	41.23	70.25	93.16	113.01	131.34	62.62	105.38	140.50	169.52	195.48
66	44.29	71.78	96.21	117.59	134.39	64.14	109.96	145.08	177.16	203.12
67	44.29	74.83	100.80	122.18	140.50	67.20	113.01	151.19	183.26	210.75
68	47.34	77.89	103.85	128.28	146.61	70.25	117.59	158.83	192.43	221.44
69	48.87	80.94	108.43	132.87	152.72	71.78	122.18	163.41	200.06	230.61
70	50.40	85.52	114.54	140.50	163.41	74.83	128.28	171.05	210.75	244.35
71	51.92	88.58	119.12	146.61	169.52	76.36	132.87	178.68	218.39	253.52
72	53.45	91.63	123.70	151.19	175.63	79.41	135.92	184.79	227.55	262.68
73	53.45	93.16	128.28	157.30	183.26	80.94	140.50	190.90	236.72	274.90
74	56.51	97.74	132.87	163.41	190.90	84.00	145.08	198.54	245.88	285.59
75	58.03	102.32	140.50	175.63	204.64	87.05	154.25	210.75	262.68	308.49
76	59.56	105.38	145.08	181.74	213.81	88.58	157.30	218.39	273.37	319.18
77	61.09	108.43	149.67	187.85	221.44	91.63	161.88	224.50	282.53	331.40
78	62.62	111.49	155.77	193.95	230.61	93.16	167.99	233.66	293.22	346.67
79	64.14	114.54	160.36	201.59	241.30	96.21	172.57	241.30	302.39	360.42
80	65.67	122.18	174.10	221.44	265.73	99.27	184.79	261.15	332.93	400.13
81	67.20	126.76	180.21	229.08	276.42	102.32	189.37	268.79	345.15	415.40
82	70.25	129.81	184.79	238.24	287.11	103.85	193.95	277.95	357.36	429.14
83	70.25	129.81	189.37	244.35	293.22	103.85	195.48	284.06	365.00	441.36
84	70.25	132.87	192.43	248.93	302.39	105.38	198.54	288.64	372.64	453.58
85	71.78	138.98	204.64	268.79	328.35	108.43	209.23	306.97	403.18	494.81
86	71.78	142.03				109.96	212.28			
87	73.31	143.56				109.96	213.81			
88	71.78	142.03				106.90	212.28			
89	68.72	138.98				103.85	209.23			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 20 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	18.33	30.54	39.71	48.87	54.98	27.49	45.82	59.56	73.31	82.47
50	24.44	41.23	53.45	64.14	74.83	36.65	61.09	80.94	97.74	111.49
55	30.54	50.40	67.20	79.41	90.10	44.29	74.83	99.27	119.12	135.92
60	35.13	59.56	79.41	94.69	109.96	51.92	88.58	117.59	143.56	163.41
65	38.18	65.67	87.05	106.90	123.70	58.03	99.27	131.34	160.36	184.79
66	39.71	68.72	91.63	111.49	128.28	59.56	102.32	137.45	167.99	192.43
67	41.23	71.78	94.69	114.54	132.87	61.09	105.38	142.03	172.57	200.06
68	42.76	73.31	99.27	120.65	138.98	64.14	109.96	148.14	180.21	207.70
69	44.29	76.36	102.32	125.23	143.56	67.20	114.54	154.25	187.85	218.39
70	45.82	79.41	106.90	131.34	152.72	68.72	117.59	161.88	198.54	230.61
71	47.34	80.94	111.49	137.45	160.36	70.25	122.18	167.99	206.17	239.77
72	48.87	85.52	116.07	143.56	164.94	73.31	126.76	172.57	213.81	247.41
73	50.40	87.05	120.65	148.14	172.57	74.83	131.34	180.21	221.44	259.62
74	51.92	90.10	123.70	154.25	178.68	77.89	135.92	186.32	230.61	268.79
75	53.45	94.69	131.34	164.94	192.43	79.41	142.03	197.01	245.88	290.17
76	54.98	97.74	135.92	169.52	200.06	80.94	148.14	204.64	255.04	299.33
77	56.51	100.80	140.50	177.16	207.70	85.52	151.19	210.75	264.21	311.55
78	58.03	103.85	145.08	183.26	216.86	85.52	155.77	218.39	274.90	325.29
79	58.03	106.90	151.19	189.37	226.03	88.58	160.36	226.03	284.06	337.51
80	61.09	113.01	161.88	207.70	248.93	91.63	171.05	242.82	311.55	374.16
81	62.62	116.07	167.99	213.81	258.10	93.16	174.10	250.46	322.24	387.91
82	64.14	120.65	172.57	222.97	267.26	96.21	178.68	258.10	334.46	401.65
83	64.14	122.18	175.63	227.55	274.90	96.21	183.26	264.21	340.57	412.34
84	64.14	123.70	180.21	232.13	282.53	96.21	184.79	268.79	348.20	424.56
85	65.67	129.81	190.90	250.46	305.44	99.27	193.95	285.59	375.69	459.69
86	65.67	129.81				99.27	195.48			
87	65.67	131.34				100.80	198.54			
88	64.14	129.81				97.74	197.01			
89	64.14	129.81				94.69	192.43			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 100 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	13.74	22.91	33.60	39.71	45.82	19.85	36.65	48.87	59.56	67.20
50	18.33	32.07	44.29	53.45	61.09	27.49	47.34	64.14	77.89	90.10
55	22.91	39.71	53.45	64.14	74.83	33.60	58.03	80.94	97.74	109.96
60	25.96	45.82	64.14	77.89	88.58	38.18	70.25	94.69	114.54	131.34
65	27.49	51.92	70.25	85.52	99.27	42.76	77.89	105.38	128.28	149.67
66	30.54	53.45	73.31	90.10	103.85	44.29	80.94	109.96	134.39	155.77
67	32.07	54.98	76.36	93.16	106.90	45.82	84.00	114.54	138.98	160.36
68	32.07	56.51	79.41	96.21	113.01	47.34	87.05	119.12	146.61	167.99
69	33.60	61.09	82.47	100.80	117.59	50.40	90.10	122.18	151.19	175.63
70	33.60	62.62	85.52	106.90	122.18	51.92	93.16	128.28	158.83	184.79
71	35.13	64.14	90.10	109.96	128.28	53.45	96.21	134.39	164.94	190.90
72	36.65	67.20	91.63	113.01	132.87	53.45	99.27	137.45	171.05	198.54
73	36.65	68.72	96.21	119.12	138.98	56.51	103.85	142.03	177.16	207.70
74	38.18	70.25	97.74	122.18	143.56	58.03	106.90	148.14	184.79	215.34
75	39.71	74.83	103.85	131.34	154.25	59.56	109.96	155.77	195.48	230.61
76	39.71	76.36	106.90	134.39	160.36	61.09	114.54	160.36	203.12	239.77
77	41.23	77.89	111.49	138.98	164.94	62.62	117.59	166.46	209.23	247.41
78	42.76	80.94	114.54	145.08	171.05	64.14	120.65	171.05	216.86	256.57
79	44.29	82.47	119.12	149.67	178.68	64.14	123.70	177.16	224.50	267.26
80	45.82	88.58	126.76	161.88	193.95	67.20	129.81	189.37	242.82	291.70
81	45.82	90.10	129.81	167.99	201.59	68.72	134.39	195.48	250.46	302.39
82	47.34	91.63	134.39	174.10	209.23	70.25	137.45	201.59	259.62	314.60
83	47.34	93.16	135.92	177.16	215.34	70.25	138.98	203.12	265.73	322.24
84	45.82	94.69	138.98	180.21	218.39	71.78	140.50	207.70	270.31	329.88
85	47.34	97.74	146.61	190.90	235.19	73.31	146.61	218.39	288.64	352.78
86	48.87	97.74				71.78	148.14			
87	47.34	99.27				71.78	149.67			
88	45.82	99.27				70.25	148.14			
89	45.82	96.21				67.20	145.08			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 180 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	12.22	21.38	29.02	36.65	41.23	18.33	32.07	44.29	53.45	62.62
50	15.27	29.02	39.71	47.34	54.98	22.91	42.76	58.03	71.78	82.47
55	19.85	35.13	48.87	58.03	67.20	29.02	53.45	73.31	87.05	100.80
60	22.91	41.23	58.03	70.25	80.94	33.60	64.14	87.05	103.85	120.65
65	25.96	47.34	64.14	77.89	90.10	38.18	70.25	96.21	117.59	135.92
66	25.96	48.87	67.20	80.94	93.16	38.18	71.78	99.27	122.18	140.50
67	27.49	50.40	68.72	84.00	97.74	41.23	74.83	102.32	126.76	146.61
68	29.02	51.92	71.78	88.58	102.32	41.23	77.89	106.90	131.34	152.72
69	29.02	53.45	74.83	91.63	106.90	44.29	80.94	111.49	137.45	158.83
70	30.54	56.51	77.89	96.21	111.49	44.29	84.00	114.54	143.56	166.46
71	32.07	56.51	80.94	99.27	116.07	45.82	85.52	120.65	149.67	172.57
72	30.54	59.56	84.00	102.32	120.65	47.34	88.58	123.70	154.25	178.68
73	32.07	61.09	87.05	106.90	125.23	48.87	91.63	128.28	160.36	186.32
74	33.60	64.14	88.58	109.96	129.81	50.40	94.69	134.39	164.94	193.95
75	35.13	65.67	93.16	116.07	137.45	51.92	99.27	140.50	177.16	206.17
76	36.65	67.20	96.21	120.65	142.03	53.45	100.80	145.08	181.74	215.34
77	35.13	70.25	99.27	125.23	148.14	54.98	105.38	149.67	187.85	221.44
78	36.65	71.78	102.32	129.81	154.25	54.98	106.90	152.72	195.48	230.61
79	38.18	73.31	105.38	134.39	160.36	56.51	109.96	158.83	201.59	239.77
80	38.18	77.89	113.01	145.08	174.10	58.03	116.07	169.52	216.86	259.62
81	39.71	79.41	114.54	149.67	180.21	59.56	117.59	172.57	224.50	270.31
82	39.71	80.94	119.12	154.25	186.32	61.09	120.65	178.68	230.61	281.00
83	41.23	82.47	120.65	157.30	190.90	61.09	122.18	181.74	235.19	287.11
84	39.71	82.47	123.70	160.36	195.48	61.09	123.70	183.26	241.30	291.70
85	41.23	85.52	128.28	169.52	207.70	61.09	128.28	193.95	255.04	313.08
86	41.23	87.05				62.62	129.81			
87	41.23	87.05				61.09	131.34			
88	39.71	85.52				61.09	128.28			
89	39.71	84.00				58.03	125.23			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
HCS Policy Form Series
HCS Rates for PAL Base Policy- 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	9.16	15.27	21.38	24.44	29.02	15.27	22.91	30.54	35.13	41.23
50	15.27	22.91	29.02	35.13	38.18	21.38	35.13	44.29	51.92	58.03
55	16.80	29.02	38.18	44.29	48.87	27.49	44.29	56.51	65.67	73.31
60	22.91	39.71	48.87	56.51	62.62	35.13	56.51	73.31	85.52	94.69
65	29.02	47.34	59.56	67.20	74.83	44.29	68.72	88.58	100.80	111.49
66	32.07	48.87	61.09	70.25	76.36	45.82	73.31	91.63	105.38	114.54
67	33.60	50.40	64.14	73.31	79.41	48.87	76.36	96.21	109.96	119.12
68	35.13	54.98	68.72	77.89	85.52	53.45	82.47	103.85	117.59	128.28
69	38.18	58.03	73.31	82.47	90.10	56.51	88.58	109.96	125.23	135.92
70	41.23	64.14	79.41	93.16	100.80	62.62	97.74	120.65	138.98	149.67
71	44.29	68.72	85.52	97.74	105.38	65.67	103.85	128.28	146.61	157.30
72	47.34	73.31	90.10	102.32	111.49	70.25	109.96	134.39	154.25	166.46
73	50.40	77.89	97.74	109.96	117.59	76.36	117.59	145.08	164.94	178.68
74	54.98	84.00	103.85	116.07	126.76	80.94	125.23	155.77	177.16	190.90
75	59.56	93.16	116.07	132.87	142.03	90.10	140.50	174.10	198.54	213.81
76	64.14	99.27	123.70	138.98	151.19	96.21	148.14	184.79	210.75	226.03
77	68.72	103.85	129.81	146.61	160.36	100.80	157.30	195.48	221.44	239.77
78	73.31	114.54	142.03	160.36	172.57	111.49	172.57	212.28	239.77	259.62
79	80.94	123.70	152.72	172.57	186.32	120.65	186.32	229.08	258.10	279.48
80	90.10	142.03	177.16			135.92	213.81	267.26		
81	96.21	152.72	190.90			146.61	229.08	285.59		
82	105.38	163.41	203.12			155.77	244.35	303.91		
83	109.96	169.52	210.75			163.41	255.04	317.66		
84	114.54	178.68	219.92			172.57	267.26	329.88		
85	125.23	197.01				187.85	297.80			
86	131.34	206.17				197.01	308.49			
87	135.92	213.81				204.64	320.71			
88	140.50	221.44				210.75	329.88			
89	143.56	226.03				215.34	339.04			

Exhibit 6A - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
R-NF Policy Form Series
R-NF, R-QNF Rates
% of Base & All Other Rider Rates excluding DVH Riders

Elimination Period Age	0	20	100	180
40	20%	20%	22%	25%
50	20%	20%	22%	25%
55	20%	20%	22%	25%
60	20%	20%	22%	25%
65	22%	22%	24%	27%
66	22%	22%	24%	27%
67	22%	22%	24%	27%
68	22%	22%	24%	27%
69	22%	22%	24%	27%
70	25%	25%	27%	30%
71	25%	25%	27%	30%
72	25%	25%	27%	30%
73	25%	25%	27%	30%
74	25%	25%	27%	30%
75	27%	27%	29%	31%
76	27%	27%	29%	31%
77	27%	27%	29%	31%
78	27%	27%	29%	31%
79	27%	27%	29%	31%
80	28%	28%	30%	32%
81	28%	28%	30%	32%
82	28%	28%	30%	32%
83	28%	28%	30%	32%
84	28%	28%	30%	32%
85	28%	28%	30%	32%
86	28%	28%	30%	32%
87	28%	28%	30%	32%
88	28%	28%	30%	32%
89	28%	28%	30%	32%

R-DVH Rates
Annual Per Policy

R-DVH-2	258.10
R-DVH-3	354.31

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	12.16	18.25	22.31	26.36	28.39	16.23	26.36	34.47	40.56	44.62
50	18.25	30.42	38.54	44.62	50.70	28.39	44.62	56.79	66.93	75.05
55	30.42	46.65	58.82	68.95	77.06	44.62	68.95	89.24	103.44	113.57
60	44.62	68.95	89.24	103.44	113.57	66.93	105.46	133.86	154.14	170.36
65	60.85	95.32	121.68	141.96	156.16	89.24	144.00	182.53	212.96	235.27
66	64.90	105.46	133.86	156.16	172.39	99.37	156.16	200.78	233.24	257.57
67	70.98	113.57	144.00	168.34	186.58	107.49	170.36	217.01	253.52	279.88
68	81.13	129.80	166.31	192.67	212.96	121.68	194.70	247.43	287.99	318.41
69	91.26	146.03	186.58	217.01	239.32	137.91	219.04	279.88	324.50	358.97
70	101.41	162.26	208.89	241.35	267.71	152.11	243.37	312.33	363.04	401.57
71	111.55	178.47	229.17	265.68	294.07	168.34	267.71	342.76	399.54	442.13
72	121.68	194.70	249.46	290.02	320.45	182.53	292.05	375.20	436.05	482.69
73	139.94	223.09	283.94	330.58	367.09	208.89	334.64	427.93	496.88	549.62
74	156.16	249.46	320.45	373.17	411.71	235.27	375.20	480.67	557.73	616.55
75	174.42	281.91	363.04	421.85	468.49	261.63	421.85	543.54	632.78	701.73
76	192.67	310.30	397.51	464.44	513.11	287.99	464.44	596.27	695.65	770.69
77	208.89	338.69	434.02	507.03	559.77	314.36	507.03	651.03	758.51	839.64
78	241.35	389.40	498.92	582.08	642.91	361.00	582.08	748.38	872.10	963.36
79	271.76	440.10	563.82	657.11	724.04	407.66	659.14	845.72	985.67	1,087.07
80	310.30	507.03	655.09	766.63	849.79	464.44	758.51	981.60	1,149.94	1,273.66
81	342.76	557.73	722.01	845.72	937.00	513.11	837.61	1,083.01	1,267.58	1,403.46
82	373.17	610.47	788.94	922.80	1,022.17	561.78	916.71	1,184.42	1,385.21	1,535.29
83	413.74	675.37	870.07	1,016.09	1,125.61	620.60	1,012.03	1,304.08	1,525.14	1,687.40
84	452.28	738.24	951.19	1,109.38	1,227.02	679.42	1,107.35	1,425.77	1,665.09	1,839.51
85	505.00	833.56	1,080.99	1,267.58	1,407.52	756.50	1,249.33	1,622.50	1,902.37	2,109.25
86	545.57	898.46				817.33	1,348.70			
87	586.13	965.39				878.18	1,448.08			
88	630.75	1,036.37				947.13	1,555.57			
89	677.39	1,109.38				1,016.09	1,663.05			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 20 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	10.15	16.23	22.31	24.34	28.39	16.23	24.34	32.46	36.51	42.59
50	18.25	28.39	36.51	42.59	46.65	26.36	42.59	54.75	62.87	70.98
55	26.36	42.59	54.75	64.90	73.01	40.56	64.90	83.16	97.36	107.49
60	40.56	64.90	83.16	97.36	107.49	60.85	97.36	125.75	146.03	162.26
65	54.75	89.24	115.60	133.86	148.06	83.16	133.86	172.39	200.78	223.09
66	60.85	97.36	125.75	146.03	162.26	91.26	146.03	188.62	219.04	243.37
67	64.90	105.46	135.88	160.22	176.45	99.37	160.22	204.84	239.32	263.66
68	75.05	121.68	156.16	182.53	200.78	111.55	182.53	233.24	273.79	302.19
69	85.18	135.88	176.45	204.84	227.15	125.75	204.84	263.66	306.25	338.69
70	93.29	152.11	196.73	229.17	253.52	139.94	229.17	294.07	342.76	379.26
71	103.44	168.34	214.98	251.48	277.86	154.14	251.48	322.46	377.23	417.79
72	111.55	182.53	235.27	273.79	304.22	168.34	273.79	352.89	411.71	456.33
73	127.77	208.89	267.71	312.33	346.81	192.67	312.33	401.57	470.52	519.19
74	144.00	235.27	302.19	350.87	389.40	214.98	350.87	452.28	527.31	584.09
75	160.22	263.66	340.72	397.51	442.13	241.35	395.48	511.08	598.29	661.17
76	176.45	290.02	375.20	438.08	484.72	265.68	434.02	561.78	657.11	728.09
77	192.67	316.38	407.66	476.61	529.34	287.99	474.57	612.49	715.92	793.00
78	221.06	363.04	468.49	547.59	606.40	332.61	545.57	703.76	821.39	908.60
79	251.48	411.71	529.34	618.58	683.48	375.20	616.55	795.02	928.88	1,026.23
80	283.94	472.56	614.52	719.99	799.08	425.90	707.81	920.77	1,080.99	1,198.63
81	314.36	521.23	677.39	795.02	882.23	470.52	782.86	1,016.09	1,192.53	1,322.33
82	342.76	569.90	740.27	868.03	963.36	515.14	855.87	1,111.42	1,302.05	1,444.03
83	379.26	628.72	815.30	955.24	1,058.68	569.90	943.08	1,222.96	1,433.88	1,588.02
84	415.77	687.53	890.34	1,042.45	1,154.01	624.66	1,032.31	1,336.53	1,563.68	1,729.99
85	462.41	774.74	1,010.01	1,188.48	1,320.31	693.61	1,162.12	1,517.04	1,782.72	1,979.45
86	500.95	837.61				750.40	1,255.41			
87	537.45	898.46				805.17	1,346.67			
88	580.04	965.39				868.03	1,446.05			
89	620.60	1,030.29				930.90	1,547.45			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 100 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	8.11	14.20	16.23	20.28	22.31	12.16	20.28	26.36	30.42	34.47
50	14.20	22.31	28.39	34.47	38.54	20.28	34.47	44.62	52.73	58.82
55	20.28	34.47	44.62	52.73	58.82	30.42	52.73	66.93	79.10	89.24
60	30.42	52.73	66.93	79.10	89.24	46.65	77.06	101.41	119.65	133.86
65	42.59	70.98	93.29	109.52	121.68	62.87	105.46	139.94	164.27	182.53
66	44.62	77.06	101.41	119.65	131.83	68.95	115.60	152.11	178.47	198.76
67	48.67	85.18	109.52	129.80	144.00	75.05	125.75	164.27	194.70	217.01
68	56.79	97.36	125.75	148.06	164.27	85.18	144.00	188.62	221.06	247.43
69	62.87	107.49	141.96	166.31	184.57	95.32	162.26	212.96	249.46	277.86
70	70.98	119.65	158.19	184.57	206.86	105.46	180.50	237.29	277.86	310.30
71	77.06	131.83	172.39	204.84	227.15	115.60	198.76	259.60	306.25	340.72
72	85.18	144.00	188.62	223.09	247.43	127.77	217.01	283.94	334.64	371.15
73	97.36	164.27	214.98	253.52	281.91	144.00	247.43	324.50	381.28	421.85
74	109.52	186.58	243.37	285.97	316.38	162.26	277.86	363.04	427.93	474.57
75	121.68	206.86	273.79	320.45	356.95	180.50	312.33	409.67	482.69	535.42
76	133.86	229.17	300.17	352.89	391.43	198.76	342.76	450.25	529.34	588.16
77	146.03	249.46	326.53	385.35	427.93	217.01	373.17	490.80	578.01	640.89
78	166.31	285.97	375.20	442.13	490.80	249.46	429.97	563.82	663.19	736.20
79	188.62	324.50	423.87	498.92	553.68	283.94	486.75	636.83	748.38	829.50
80	212.96	369.12	486.75	575.98	640.89	320.45	555.70	732.15	863.98	961.33
81	235.27	407.66	537.45	634.80	705.79	352.89	612.49	807.20	953.21	1,058.68
82	257.57	446.18	588.16	693.61	770.69	385.35	669.29	882.23	1,040.42	1,156.02
83	283.94	492.83	646.98	762.58	845.72	425.90	738.24	971.47	1,143.86	1,269.61
84	312.33	537.45	705.79	831.53	922.80	466.47	807.20	1,058.68	1,247.30	1,383.18
85	344.78	600.32	793.00	939.02	1,044.49	515.14	900.49	1,190.51	1,407.52	1,565.71
86	371.15	648.99				557.73	971.47			
87	399.54	695.65				598.29	1,042.45			
88	429.97	744.32				642.91	1,117.50			
89	458.36	795.02				689.56	1,192.53			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 180 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	6.08	12.16	16.23	18.25	20.28	10.15	18.25	24.34	28.39	30.42
50	12.16	20.28	26.36	32.46	34.47	18.25	30.42	40.56	46.65	52.73
55	18.25	30.42	40.56	48.67	54.75	26.36	46.65	60.85	73.01	81.13
60	26.36	46.65	60.85	73.01	81.13	40.56	68.95	91.26	109.52	121.68
65	36.51	62.87	83.16	99.37	111.55	54.75	95.32	125.75	148.06	166.31
66	40.56	68.95	91.26	109.52	121.68	60.85	105.46	137.91	162.26	182.53
67	42.59	75.05	99.37	117.63	131.83	64.90	113.57	150.08	176.45	196.73
68	48.67	87.21	113.57	133.86	150.08	75.05	129.80	170.36	202.81	225.12
69	56.79	97.36	127.77	152.11	168.34	83.16	146.03	192.67	227.15	253.52
70	60.85	107.49	141.96	168.34	188.62	93.29	162.26	214.98	253.52	281.91
71	66.93	119.65	156.16	184.57	206.86	101.41	178.47	235.27	277.86	310.30
72	75.05	129.80	170.36	202.81	225.12	111.55	194.70	257.57	304.22	338.69
73	85.18	148.06	194.70	231.20	255.55	127.77	223.09	294.07	346.81	385.35
74	95.32	166.31	219.04	259.60	287.99	141.96	249.46	328.56	389.40	431.99
75	105.46	186.58	247.43	292.05	324.50	158.19	279.88	369.12	436.05	486.75
76	115.60	204.84	271.76	320.45	356.95	174.42	308.27	405.62	480.67	533.39
77	127.77	223.09	296.10	348.84	387.38	190.65	334.64	442.13	523.26	582.08
78	146.03	257.57	338.69	399.54	444.16	219.04	385.35	509.06	600.32	667.25
79	164.27	290.02	383.31	452.28	500.95	247.43	436.05	573.96	677.39	752.43
80	186.58	330.58	438.08	519.19	578.01	279.88	494.87	657.11	778.79	868.03
81	204.84	365.07	484.72	571.93	636.83	308.27	547.59	726.07	857.90	955.24
82	225.12	399.54	529.34	624.66	695.65	336.67	598.29	793.00	939.02	1,042.45
83	247.43	438.08	582.08	687.53	762.58	371.15	659.14	872.10	1,030.29	1,143.86
84	271.76	478.64	632.78	748.38	829.50	407.66	719.99	951.19	1,121.55	1,245.27
85	298.14	533.39	709.84	839.64	934.97	448.21	799.08	1,062.73	1,259.46	1,401.44
86	322.46	573.96				482.69	861.95			
87	346.81	616.55				519.19	922.80			
88	371.15	659.14				555.70	987.70			
89	395.48	701.73				594.24	1,052.60			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	26.36	42.59	56.79	68.95	79.10	40.56	64.90	85.18	101.41	115.60
50	36.51	58.82	77.06	91.26	103.44	52.73	87.21	115.60	137.91	156.16
55	42.59	70.98	93.29	111.55	125.75	64.90	107.49	139.94	166.31	190.65
60	50.70	85.18	111.55	133.86	154.14	75.05	125.75	166.31	200.78	231.20
65	54.75	93.29	123.72	150.08	174.42	83.16	139.94	186.58	225.12	259.60
66	58.82	95.32	127.77	156.16	178.47	85.18	146.03	192.67	235.27	269.74
67	58.82	99.37	133.86	162.26	186.58	89.24	150.08	200.78	243.37	279.88
68	62.87	103.44	137.91	170.36	194.70	93.29	156.16	210.93	255.55	294.07
69	64.90	107.49	144.00	176.45	202.81	95.32	162.26	217.01	265.68	306.25
70	66.93	113.57	152.11	186.58	217.01	99.37	170.36	227.15	279.88	324.50
71	68.95	117.63	158.19	194.70	225.12	101.41	176.45	237.29	290.02	336.67
72	70.98	121.68	164.27	200.78	233.24	105.46	180.50	245.40	302.19	348.84
73	70.98	123.72	170.36	208.89	243.37	107.49	186.58	253.52	314.36	365.07
74	75.05	129.80	176.45	217.01	253.52	111.55	192.67	263.66	326.53	379.26
75	77.06	135.88	186.58	233.24	271.76	115.60	204.84	279.88	348.84	409.67
76	79.10	139.94	192.67	241.35	283.94	117.63	208.89	290.02	363.04	423.87
77	81.13	144.00	198.76	249.46	294.07	121.68	214.98	298.14	375.20	440.10
78	83.16	148.06	206.86	257.57	306.25	123.72	223.09	310.30	389.40	460.38
79	85.18	152.11	212.96	267.71	320.45	127.77	229.17	320.45	401.57	478.64
80	87.21	162.26	231.20	294.07	352.89	131.83	245.40	346.81	442.13	531.37
81	89.24	168.34	239.32	304.22	367.09	135.88	251.48	356.95	458.36	551.65
82	93.29	172.39	245.40	316.38	381.28	137.91	257.57	369.12	474.57	569.90
83	93.29	172.39	251.48	324.50	389.40	137.91	259.60	377.23	484.72	586.13
84	93.29	176.45	255.55	330.58	401.57	139.94	263.66	383.31	494.87	602.35
85	95.32	184.57	271.76	356.95	436.05	144.00	277.86	407.66	535.42	657.11
86	95.32	188.62				146.03	281.91			
87	97.36	190.65				146.03	283.94			
88	95.32	188.62				141.96	281.91			
89	91.26	184.57				137.91	277.86			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 20 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	24.34	40.56	52.73	64.90	73.01	36.51	60.85	79.10	97.36	109.52
50	32.46	54.75	70.98	85.18	99.37	48.67	81.13	107.49	129.80	148.06
55	40.56	66.93	89.24	105.46	119.65	58.82	99.37	131.83	158.19	180.50
60	46.65	79.10	105.46	125.75	146.03	68.95	117.63	156.16	190.65	217.01
65	50.70	87.21	115.60	141.96	164.27	77.06	131.83	174.42	212.96	245.40
66	52.73	91.26	121.68	148.06	170.36	79.10	135.88	182.53	223.09	255.55
67	54.75	95.32	125.75	152.11	176.45	81.13	139.94	188.62	229.17	265.68
68	56.79	97.36	131.83	160.22	184.57	85.18	146.03	196.73	239.32	275.83
69	58.82	101.41	135.88	166.31	190.65	89.24	152.11	204.84	249.46	290.02
70	60.85	105.46	141.96	174.42	202.81	91.26	156.16	214.98	263.66	306.25
71	62.87	107.49	148.06	182.53	212.96	93.29	162.26	223.09	273.79	318.41
72	64.90	113.57	154.14	190.65	219.04	97.36	168.34	229.17	283.94	328.56
73	66.93	115.60	160.22	196.73	229.17	99.37	174.42	239.32	294.07	344.78
74	68.95	119.65	164.27	204.84	237.29	103.44	180.50	247.43	306.25	356.95
75	70.98	125.75	174.42	219.04	255.55	105.46	188.62	261.63	326.53	385.35
76	73.01	129.80	180.50	225.12	265.68	107.49	196.73	271.76	338.69	397.51
77	75.05	133.86	186.58	235.27	275.83	113.57	200.78	279.88	350.87	413.74
78	77.06	137.91	192.67	243.37	287.99	113.57	206.86	290.02	365.07	431.99
79	77.06	141.96	200.78	251.48	300.17	117.63	212.96	300.17	377.23	448.21
80	81.13	150.08	214.98	275.83	330.58	121.68	227.15	322.46	413.74	496.88
81	83.16	154.14	223.09	283.94	342.76	123.72	231.20	332.61	427.93	515.14
82	85.18	160.22	229.17	296.10	354.92	127.77	237.29	342.76	444.16	533.39
83	85.18	162.26	233.24	302.19	365.07	127.77	243.37	350.87	452.28	547.59
84	85.18	164.27	239.32	308.27	375.20	127.77	245.40	356.95	462.41	563.82
85	87.21	172.39	253.52	332.61	405.62	131.83	257.57	379.26	498.92	610.47
86	87.21	172.39				131.83	259.60			
87	87.21	174.42				133.86	263.66			
88	85.18	172.39				129.80	261.63			
89	85.18	172.39				125.75	255.55			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 100 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	18.25	30.42	44.62	52.73	60.85	26.36	48.67	64.90	79.10	89.24
50	24.34	42.59	58.82	70.98	81.13	36.51	62.87	85.18	103.44	119.65
55	30.42	52.73	70.98	85.18	99.37	44.62	77.06	107.49	129.80	146.03
60	34.47	60.85	85.18	103.44	117.63	50.70	93.29	125.75	152.11	174.42
65	36.51	68.95	93.29	113.57	131.83	56.79	103.44	139.94	170.36	198.76
66	40.56	70.98	97.36	119.65	137.91	58.82	107.49	146.03	178.47	206.86
67	42.59	73.01	101.41	123.72	141.96	60.85	111.55	152.11	184.57	212.96
68	42.59	75.05	105.46	127.77	150.08	62.87	115.60	158.19	194.70	223.09
69	44.62	81.13	109.52	133.86	156.16	66.93	119.65	162.26	200.78	233.24
70	44.62	83.16	113.57	141.96	162.26	68.95	123.72	170.36	210.93	245.40
71	46.65	85.18	119.65	146.03	170.36	70.98	127.77	178.47	219.04	253.52
72	48.67	89.24	121.68	150.08	176.45	70.98	131.83	182.53	227.15	263.66
73	48.67	91.26	127.77	158.19	184.57	75.05	137.91	188.62	235.27	275.83
74	50.70	93.29	129.80	162.26	190.65	77.06	141.96	196.73	245.40	285.97
75	52.73	99.37	137.91	174.42	204.84	79.10	146.03	206.86	259.60	306.25
76	52.73	101.41	141.96	178.47	212.96	81.13	152.11	212.96	269.74	318.41
77	54.75	103.44	148.06	184.57	219.04	83.16	156.16	221.06	277.86	328.56
78	56.79	107.49	152.11	192.67	227.15	85.18	160.22	227.15	287.99	340.72
79	58.82	109.52	158.19	198.76	237.29	85.18	164.27	235.27	298.14	354.92
80	60.85	117.63	168.34	214.98	257.57	89.24	172.39	251.48	322.46	387.38
81	60.85	119.65	172.39	223.09	267.71	91.26	178.47	259.60	332.61	401.57
82	62.87	121.68	178.47	231.20	277.86	93.29	182.53	267.71	344.78	417.79
83	62.87	123.72	180.50	235.27	285.97	93.29	184.57	269.74	352.89	427.93
84	60.85	125.75	184.57	239.32	290.02	95.32	186.58	275.83	358.97	438.08
85	62.87	129.80	194.70	253.52	312.33	97.36	194.70	290.02	383.31	468.49
86	64.90	129.80				95.32	196.73			
87	62.87	131.83				95.32	198.76			
88	60.85	131.83				93.29	196.73			
89	60.85	127.77				89.24	192.67			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 180 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	16.23	28.39	38.54	48.67	54.75	24.34	42.59	58.82	70.98	83.16
50	20.28	38.54	52.73	62.87	73.01	30.42	56.79	77.06	95.32	109.52
55	26.36	46.65	64.90	77.06	89.24	38.54	70.98	97.36	115.60	133.86
60	30.42	54.75	77.06	93.29	107.49	44.62	85.18	115.60	137.91	160.22
65	34.47	62.87	85.18	103.44	119.65	50.70	93.29	127.77	156.16	180.50
66	34.47	64.90	89.24	107.49	123.72	50.70	95.32	131.83	162.26	186.58
67	36.51	66.93	91.26	111.55	129.80	54.75	99.37	135.88	168.34	194.70
68	38.54	68.95	95.32	117.63	135.88	54.75	103.44	141.96	174.42	202.81
69	38.54	70.98	99.37	121.68	141.96	58.82	107.49	148.06	182.53	210.93
70	40.56	75.05	103.44	127.77	148.06	58.82	111.55	152.11	190.65	221.06
71	42.59	75.05	107.49	131.83	154.14	60.85	113.57	160.22	198.76	229.17
72	40.56	79.10	111.55	135.88	160.22	62.87	117.63	164.27	204.84	237.29
73	42.59	81.13	115.60	141.96	166.31	64.90	121.68	170.36	212.96	247.43
74	44.62	85.18	117.63	146.03	172.39	66.93	125.75	178.47	219.04	257.57
75	46.65	87.21	123.72	154.14	182.53	68.95	131.83	186.58	235.27	273.79
76	48.67	89.24	127.77	160.22	188.62	70.98	133.86	192.67	241.35	285.97
77	46.65	93.29	131.83	166.31	196.73	73.01	139.94	198.76	249.46	294.07
78	48.67	95.32	135.88	172.39	204.84	73.01	141.96	202.81	259.60	306.25
79	50.70	97.36	139.94	178.47	212.96	75.05	146.03	210.93	267.71	318.41
80	50.70	103.44	150.08	192.67	231.20	77.06	154.14	225.12	287.99	344.78
81	52.73	105.46	152.11	198.76	239.32	79.10	156.16	229.17	298.14	358.97
82	52.73	107.49	158.19	204.84	247.43	81.13	160.22	237.29	306.25	373.17
83	54.75	109.52	160.22	208.89	253.52	81.13	162.26	241.35	312.33	381.28
84	52.73	109.52	164.27	212.96	259.60	81.13	164.27	243.37	320.45	387.38
85	54.75	113.57	170.36	225.12	275.83	81.13	170.36	257.57	338.69	415.77
86	54.75	115.60				83.16	172.39			
87	54.75	115.60				81.13	174.42			
88	52.73	113.57				81.13	170.36			
89	52.73	111.55				77.06	166.31			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
HCS Policy Form Series
HCS Rates for PAL Base Policy- 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	12.16	20.28	28.39	32.46	38.54	20.28	30.42	40.56	46.65	54.75
50	20.28	30.42	38.54	46.65	50.70	28.39	46.65	58.82	68.95	77.06
55	22.31	38.54	50.70	58.82	64.90	36.51	58.82	75.05	87.21	97.36
60	30.42	52.73	64.90	75.05	83.16	46.65	75.05	97.36	113.57	125.75
65	38.54	62.87	79.10	89.24	99.37	58.82	91.26	117.63	133.86	148.06
66	42.59	64.90	81.13	93.29	101.41	60.85	97.36	121.68	139.94	152.11
67	44.62	66.93	85.18	97.36	105.46	64.90	101.41	127.77	146.03	158.19
68	46.65	73.01	91.26	103.44	113.57	70.98	109.52	137.91	156.16	170.36
69	50.70	77.06	97.36	109.52	119.65	75.05	117.63	146.03	166.31	180.50
70	54.75	85.18	105.46	123.72	133.86	83.16	129.80	160.22	184.57	198.76
71	58.82	91.26	113.57	129.80	139.94	87.21	137.91	170.36	194.70	208.89
72	62.87	97.36	119.65	135.88	148.06	93.29	146.03	178.47	204.84	221.06
73	66.93	103.44	129.80	146.03	156.16	101.41	156.16	192.67	219.04	237.29
74	73.01	111.55	137.91	154.14	168.34	107.49	166.31	206.86	235.27	253.52
75	79.10	123.72	154.14	176.45	188.62	119.65	186.58	231.20	263.66	283.94
76	85.18	131.83	164.27	184.57	200.78	127.77	196.73	245.40	279.88	300.17
77	91.26	137.91	172.39	194.70	212.96	133.86	208.89	259.60	294.07	318.41
78	97.36	152.11	188.62	212.96	229.17	148.06	229.17	281.91	318.41	344.78
79	107.49	164.27	202.81	229.17	247.43	160.22	247.43	304.22	342.76	371.15
80	119.65	188.62	235.27			180.50	283.94	354.92		
81	127.77	202.81	253.52			194.70	304.22	379.26		
82	139.94	217.01	269.74			206.86	324.50	403.59		
83	146.03	225.12	279.88			217.01	338.69	421.85		
84	152.11	237.29	292.05			229.17	354.92	438.08		
85	166.31	261.63				249.46	395.48			
86	174.42	273.79				261.63	409.67			
87	180.50	283.94				271.76	425.90			
88	186.58	294.07				279.88	438.08			
89	190.65	300.17				285.97	450.25			

Exhibit 6B - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
R-NF Policy Form Series
R-NF, R-QNF Rates
% of Base & All Other Rider Rates excluding DVH Riders

Elimination Period Age	0	20	100	180
40	20%	20%	22%	25%
50	20%	20%	22%	25%
55	20%	20%	22%	25%
60	20%	20%	22%	25%
65	22%	22%	24%	27%
66	22%	22%	24%	27%
67	22%	22%	24%	27%
68	22%	22%	24%	27%
69	22%	22%	24%	27%
70	25%	25%	27%	30%
71	25%	25%	27%	30%
72	25%	25%	27%	30%
73	25%	25%	27%	30%
74	25%	25%	27%	30%
75	27%	27%	29%	31%
76	27%	27%	29%	31%
77	27%	27%	29%	31%
78	27%	27%	29%	31%
79	27%	27%	29%	31%
80	28%	28%	30%	32%
81	28%	28%	30%	32%
82	28%	28%	30%	32%
83	28%	28%	30%	32%
84	28%	28%	30%	32%
85	28%	28%	30%	32%
86	28%	28%	30%	32%
87	28%	28%	30%	32%
88	28%	28%	30%	32%
89	28%	28%	30%	32%

R-DVH Rates
Annual Per Policy

R-DVH-2	342.75
R-DVH-3	470.52

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	9.16	13.74	16.80	19.85	21.38	12.22	19.85	25.96	30.54	33.60
50	13.74	22.91	29.02	33.60	38.18	21.38	33.60	42.76	50.40	56.51
55	22.91	35.13	44.29	51.92	58.03	33.60	51.92	67.20	77.89	85.52
60	33.60	51.92	67.20	77.89	85.52	50.40	79.41	100.80	116.07	128.28
65	45.82	71.78	91.63	106.90	117.59	67.20	108.43	137.45	160.36	177.16
66	48.87	79.41	100.80	117.59	129.81	74.83	117.59	151.19	175.63	193.95
67	53.45	85.52	108.43	126.76	140.50	80.94	128.28	163.41	190.90	210.75
68	61.09	97.74	125.23	145.08	160.36	91.63	146.61	186.32	216.86	239.77
69	68.72	109.96	140.50	163.41	180.21	103.85	164.94	210.75	244.35	270.31
70	76.36	122.18	157.30	181.74	201.59	114.54	183.26	235.19	273.37	302.39
71	84.00	134.39	172.57	200.06	221.44	126.76	201.59	258.10	300.86	332.93
72	91.63	146.61	187.85	218.39	241.30	137.45	219.92	282.53	328.35	363.47
73	105.38	167.99	213.81	248.93	276.42	157.30	251.99	322.24	374.16	413.87
74	117.59	187.85	241.30	281.00	310.02	177.16	282.53	361.95	419.98	464.27
75	131.34	212.28	273.37	317.66	352.78	197.01	317.66	409.29	476.49	528.41
76	145.08	233.66	299.33	349.73	386.38	216.86	349.73	449.00	523.83	580.34
77	157.30	255.04	326.82	381.80	421.51	236.72	381.80	490.23	571.17	632.26
78	181.74	293.22	375.69	438.31	484.12	271.84	438.31	563.54	656.70	725.42
79	204.64	331.40	424.56	494.81	545.21	306.97	496.34	636.84	742.22	818.58
80	233.66	381.80	493.29	577.28	639.90	349.73	571.17	739.16	865.92	959.08
81	258.10	419.98	543.68	636.84	705.57	386.38	630.73	815.52	954.50	1,056.82
82	281.00	459.69	594.08	694.88	769.71	423.03	690.29	891.88	1,043.08	1,156.09
83	311.55	508.56	655.17	765.13	847.60	467.32	762.07	981.99	1,148.45	1,270.63
84	340.57	555.90	716.26	835.38	923.96	511.61	833.85	1,073.62	1,253.83	1,385.17
85	380.27	627.68	814.00	954.50	1,059.88	569.65	940.76	1,221.76	1,432.51	1,588.29
86	410.82	676.55				615.46	1,015.59			
87	441.36	726.95				661.28	1,090.42			
88	474.96	780.40				713.20	1,171.36			
89	510.08	835.38				765.13	1,252.30			

Exhibit 6C - Proposed Rates
 United Security Assurance Company of PA
 Business Assumed from National States Insurance Co.
 PAL Policy Form Series
 PAL Rates - 20 Day EP
 \$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	7.64	12.22	16.80	18.33	21.38	12.22	18.33	24.44	27.49	32.07
50	13.74	21.38	27.49	32.07	35.13	19.85	32.07	41.23	47.34	53.45
55	19.85	32.07	41.23	48.87	54.98	30.54	48.87	62.62	73.31	80.94
60	30.54	48.87	62.62	73.31	80.94	45.82	73.31	94.69	109.96	122.18
65	41.23	67.20	87.05	100.80	111.49	62.62	100.80	129.81	151.19	167.99
66	45.82	73.31	94.69	109.96	122.18	68.72	109.96	142.03	164.94	183.26
67	48.87	79.41	102.32	120.65	132.87	74.83	120.65	154.25	180.21	198.54
68	56.51	91.63	117.59	137.45	151.19	84.00	137.45	175.63	206.17	227.55
69	64.14	102.32	132.87	154.25	171.05	94.69	154.25	198.54	230.61	255.04
70	70.25	114.54	148.14	172.57	190.90	105.38	172.57	221.44	258.10	285.59
71	77.89	126.76	161.88	189.37	209.23	116.07	189.37	242.82	284.06	314.60
72	84.00	137.45	177.16	206.17	229.08	126.76	206.17	265.73	310.02	343.62
73	96.21	157.30	201.59	235.19	261.15	145.08	235.19	302.39	354.31	390.96
74	108.43	177.16	227.55	264.21	293.22	161.88	264.21	340.57	397.07	439.83
75	120.65	198.54	256.57	299.33	332.93	181.74	297.80	384.85	450.52	497.87
76	132.87	218.39	282.53	329.88	365.00	200.06	326.82	423.03	494.81	548.26
77	145.08	238.24	306.97	358.89	398.60	216.86	357.36	461.21	539.10	597.14
78	166.46	273.37	352.78	412.34	456.63	250.46	410.82	529.94	618.52	684.19
79	189.37	310.02	398.60	465.80	514.67	282.53	464.27	598.66	699.46	772.76
80	213.81	355.84	462.74	542.16	601.72	320.71	532.99	693.35	814.00	902.58
81	236.72	392.49	510.08	598.66	664.33	354.31	589.50	765.13	897.99	995.73
82	258.10	429.14	557.43	653.64	725.42	387.91	644.48	836.91	980.46	1,087.37
83	285.59	473.43	613.93	719.31	797.20	429.14	710.15	920.90	1,079.73	1,195.80
84	313.08	517.72	670.44	784.98	868.98	470.38	777.34	1,006.42	1,177.47	1,302.70
85	348.20	583.39	760.55	894.94	994.21	522.30	875.09	1,142.35	1,342.41	1,490.55
86	377.22	630.73				565.06	945.34			
87	404.71	676.55				606.30	1,014.06			
88	436.78	726.95				653.64	1,088.89			
89	467.32	775.82				700.98	1,165.25			

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 100 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	6.11	10.69	12.22	15.27	16.80	9.16	15.27	19.85	22.91	25.96
50	10.69	16.80	21.38	25.96	29.02	15.27	25.96	33.60	39.71	44.29
55	15.27	25.96	33.60	39.71	44.29	22.91	39.71	50.40	59.56	67.20
60	22.91	39.71	50.40	59.56	67.20	35.13	58.03	76.36	90.10	100.80
65	32.07	53.45	70.25	82.47	91.63	47.34	79.41	105.38	123.70	137.45
66	33.60	58.03	76.36	90.10	99.27	51.92	87.05	114.54	134.39	149.67
67	36.65	64.14	82.47	97.74	108.43	56.51	94.69	123.70	146.61	163.41
68	42.76	73.31	94.69	111.49	123.70	64.14	108.43	142.03	166.46	186.32
69	47.34	80.94	106.90	125.23	138.98	71.78	122.18	160.36	187.85	209.23
70	53.45	90.10	119.12	138.98	155.77	79.41	135.92	178.68	209.23	233.66
71	58.03	99.27	129.81	154.25	171.05	87.05	149.67	195.48	230.61	256.57
72	64.14	108.43	142.03	167.99	186.32	96.21	163.41	213.81	251.99	279.48
73	73.31	123.70	161.88	190.90	212.28	108.43	186.32	244.35	287.11	317.66
74	82.47	140.50	183.26	215.34	238.24	122.18	209.23	273.37	322.24	357.36
75	91.63	155.77	206.17	241.30	268.79	135.92	235.19	308.49	363.47	403.18
76	100.80	172.57	226.03	265.73	294.75	149.67	258.10	339.04	398.60	442.89
77	109.96	187.85	245.88	290.17	322.24	163.41	281.00	369.58	435.25	482.60
78	125.23	215.34	282.53	332.93	369.58	187.85	323.77	424.56	499.39	554.37
79	142.03	244.35	319.18	375.69	416.93	213.81	366.53	479.54	563.54	624.62
80	160.36	277.95	366.53	433.72	482.60	241.30	418.45	551.32	650.59	723.89
81	177.16	306.97	404.71	478.01	531.47	265.73	461.21	607.83	717.78	797.20
82	193.95	335.98	442.89	522.30	580.34	290.17	503.98	664.33	783.45	870.50
83	213.81	371.11	487.18	574.23	636.84	320.71	555.90	731.53	861.34	956.03
84	235.19	404.71	531.47	626.15	694.88	351.26	607.83	797.20	939.23	1,041.55
85	259.62	452.05	597.14	707.09	786.51	387.91	678.08	896.47	1,059.88	1,179.00
86	279.48	488.70				419.98	731.53			
87	300.86	523.83				450.52	784.98			
88	323.77	560.48				484.12	841.49			
89	345.15	598.66				519.25	897.99			

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
PAL Policy Form Series
PAL Rates - 180 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	4.58	9.16	12.22	13.74	15.27	7.64	13.74	18.33	21.38	22.91
50	9.16	15.27	19.85	24.44	25.96	13.74	22.91	30.54	35.13	39.71
55	13.74	22.91	30.54	36.65	41.23	19.85	35.13	45.82	54.98	61.09
60	19.85	35.13	45.82	54.98	61.09	30.54	51.92	68.72	82.47	91.63
65	27.49	47.34	62.62	74.83	84.00	41.23	71.78	94.69	111.49	125.23
66	30.54	51.92	68.72	82.47	91.63	45.82	79.41	103.85	122.18	137.45
67	32.07	56.51	74.83	88.58	99.27	48.87	85.52	113.01	132.87	148.14
68	36.65	65.67	85.52	100.80	113.01	56.51	97.74	128.28	152.72	169.52
69	42.76	73.31	96.21	114.54	126.76	62.62	109.96	145.08	171.05	190.90
70	45.82	80.94	106.90	126.76	142.03	70.25	122.18	161.88	190.90	212.28
71	50.40	90.10	117.59	138.98	155.77	76.36	134.39	177.16	209.23	233.66
72	56.51	97.74	128.28	152.72	169.52	84.00	146.61	193.95	229.08	255.04
73	64.14	111.49	146.61	174.10	192.43	96.21	167.99	221.44	261.15	290.17
74	71.78	125.23	164.94	195.48	216.86	106.90	187.85	247.41	293.22	325.29
75	79.41	140.50	186.32	219.92	244.35	119.12	210.75	277.95	328.35	366.53
76	87.05	154.25	204.64	241.30	268.79	131.34	232.13	305.44	361.95	401.65
77	96.21	167.99	222.97	262.68	291.70	143.56	251.99	332.93	394.02	438.31
78	109.96	193.95	255.04	300.86	334.46	164.94	290.17	383.33	452.05	502.45
79	123.70	218.39	288.64	340.57	377.22	186.32	328.35	432.20	510.08	566.59
80	140.50	248.93	329.88	390.96	435.25	210.75	372.64	494.81	586.44	653.64
81	154.25	274.90	365.00	430.67	479.54	232.13	412.34	546.74	646.01	719.31
82	169.52	300.86	398.60	470.38	523.83	253.52	450.52	597.14	707.09	784.98
83	186.32	329.88	438.31	517.72	574.23	279.48	496.34	656.70	775.82	861.34
84	204.64	360.42	476.49	563.54	624.62	306.97	542.16	716.26	844.54	937.70
85	224.50	401.65	534.52	632.26	704.04	337.51	601.72	800.25	948.39	1,055.30
86	242.82	432.20				363.47	649.06			
87	261.15	464.27				390.96	694.88			
88	279.48	496.34				418.45	743.75			
89	297.80	528.41				447.47	792.62			

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	19.85	32.07	42.76	51.92	59.56	30.54	48.87	64.14	76.36	87.05
50	27.49	44.29	58.03	68.72	77.89	39.71	65.67	87.05	103.85	117.59
55	32.07	53.45	70.25	84.00	94.69	48.87	80.94	105.38	125.23	143.56
60	38.18	64.14	84.00	100.80	116.07	56.51	94.69	125.23	151.19	174.10
65	41.23	70.25	93.16	113.01	131.34	62.62	105.38	140.50	169.52	195.48
66	44.29	71.78	96.21	117.59	134.39	64.14	109.96	145.08	177.16	203.12
67	44.29	74.83	100.80	122.18	140.50	67.20	113.01	151.19	183.26	210.75
68	47.34	77.89	103.85	128.28	146.61	70.25	117.59	158.83	192.43	221.44
69	48.87	80.94	108.43	132.87	152.72	71.78	122.18	163.41	200.06	230.61
70	50.40	85.52	114.54	140.50	163.41	74.83	128.28	171.05	210.75	244.35
71	51.92	88.58	119.12	146.61	169.52	76.36	132.87	178.68	218.39	253.52
72	53.45	91.63	123.70	151.19	175.63	79.41	135.92	184.79	227.55	262.68
73	53.45	93.16	128.28	157.30	183.26	80.94	140.50	190.90	236.72	274.90
74	56.51	97.74	132.87	163.41	190.90	84.00	145.08	198.54	245.88	285.59
75	58.03	102.32	140.50	175.63	204.64	87.05	154.25	210.75	262.68	308.49
76	59.56	105.38	145.08	181.74	213.81	88.58	157.30	218.39	273.37	319.18
77	61.09	108.43	149.67	187.85	221.44	91.63	161.88	224.50	282.53	331.40
78	62.62	111.49	155.77	193.95	230.61	93.16	167.99	233.66	293.22	346.67
79	64.14	114.54	160.36	201.59	241.30	96.21	172.57	241.30	302.39	360.42
80	65.67	122.18	174.10	221.44	265.73	99.27	184.79	261.15	332.93	400.13
81	67.20	126.76	180.21	229.08	276.42	102.32	189.37	268.79	345.15	415.40
82	70.25	129.81	184.79	238.24	287.11	103.85	193.95	277.95	357.36	429.14
83	70.25	129.81	189.37	244.35	293.22	103.85	195.48	284.06	365.00	441.36
84	70.25	132.87	192.43	248.93	302.39	105.38	198.54	288.64	372.64	453.58
85	71.78	138.98	204.64	268.79	328.35	108.43	209.23	306.97	403.18	494.81
86	71.78	142.03				109.96	212.28			
87	73.31	143.56				109.96	213.81			
88	71.78	142.03				106.90	212.28			
89	68.72	138.98				103.85	209.23			

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 20 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	18.33	30.54	39.71	48.87	54.98	27.49	45.82	59.56	73.31	82.47
50	24.44	41.23	53.45	64.14	74.83	36.65	61.09	80.94	97.74	111.49
55	30.54	50.40	67.20	79.41	90.10	44.29	74.83	99.27	119.12	135.92
60	35.13	59.56	79.41	94.69	109.96	51.92	88.58	117.59	143.56	163.41
65	38.18	65.67	87.05	106.90	123.70	58.03	99.27	131.34	160.36	184.79
66	39.71	68.72	91.63	111.49	128.28	59.56	102.32	137.45	167.99	192.43
67	41.23	71.78	94.69	114.54	132.87	61.09	105.38	142.03	172.57	200.06
68	42.76	73.31	99.27	120.65	138.98	64.14	109.96	148.14	180.21	207.70
69	44.29	76.36	102.32	125.23	143.56	67.20	114.54	154.25	187.85	218.39
70	45.82	79.41	106.90	131.34	152.72	68.72	117.59	161.88	198.54	230.61
71	47.34	80.94	111.49	137.45	160.36	70.25	122.18	167.99	206.17	239.77
72	48.87	85.52	116.07	143.56	164.94	73.31	126.76	172.57	213.81	247.41
73	50.40	87.05	120.65	148.14	172.57	74.83	131.34	180.21	221.44	259.62
74	51.92	90.10	123.70	154.25	178.68	77.89	135.92	186.32	230.61	268.79
75	53.45	94.69	131.34	164.94	192.43	79.41	142.03	197.01	245.88	290.17
76	54.98	97.74	135.92	169.52	200.06	80.94	148.14	204.64	255.04	299.33
77	56.51	100.80	140.50	177.16	207.70	85.52	151.19	210.75	264.21	311.55
78	58.03	103.85	145.08	183.26	216.86	85.52	155.77	218.39	274.90	325.29
79	58.03	106.90	151.19	189.37	226.03	88.58	160.36	226.03	284.06	337.51
80	61.09	113.01	161.88	207.70	248.93	91.63	171.05	242.82	311.55	374.16
81	62.62	116.07	167.99	213.81	258.10	93.16	174.10	250.46	322.24	387.91
82	64.14	120.65	172.57	222.97	267.26	96.21	178.68	258.10	334.46	401.65
83	64.14	122.18	175.63	227.55	274.90	96.21	183.26	264.21	340.57	412.34
84	64.14	123.70	180.21	232.13	282.53	96.21	184.79	268.79	348.20	424.56
85	65.67	129.81	190.90	250.46	305.44	99.27	193.95	285.59	375.69	459.69
86	65.67	129.81				99.27	195.48			
87	65.67	131.34				100.80	198.54			
88	64.14	129.81				97.74	197.01			
89	64.14	129.81				94.69	192.43			

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 100 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	13.74	22.91	33.60	39.71	45.82	19.85	36.65	48.87	59.56	67.20
50	18.33	32.07	44.29	53.45	61.09	27.49	47.34	64.14	77.89	90.10
55	22.91	39.71	53.45	64.14	74.83	33.60	58.03	80.94	97.74	109.96
60	25.96	45.82	64.14	77.89	88.58	38.18	70.25	94.69	114.54	131.34
65	27.49	51.92	70.25	85.52	99.27	42.76	77.89	105.38	128.28	149.67
66	30.54	53.45	73.31	90.10	103.85	44.29	80.94	109.96	134.39	155.77
67	32.07	54.98	76.36	93.16	106.90	45.82	84.00	114.54	138.98	160.36
68	32.07	56.51	79.41	96.21	113.01	47.34	87.05	119.12	146.61	167.99
69	33.60	61.09	82.47	100.80	117.59	50.40	90.10	122.18	151.19	175.63
70	33.60	62.62	85.52	106.90	122.18	51.92	93.16	128.28	158.83	184.79
71	35.13	64.14	90.10	109.96	128.28	53.45	96.21	134.39	164.94	190.90
72	36.65	67.20	91.63	113.01	132.87	53.45	99.27	137.45	171.05	198.54
73	36.65	68.72	96.21	119.12	138.98	56.51	103.85	142.03	177.16	207.70
74	38.18	70.25	97.74	122.18	143.56	58.03	106.90	148.14	184.79	215.34
75	39.71	74.83	103.85	131.34	154.25	59.56	109.96	155.77	195.48	230.61
76	39.71	76.36	106.90	134.39	160.36	61.09	114.54	160.36	203.12	239.77
77	41.23	77.89	111.49	138.98	164.94	62.62	117.59	166.46	209.23	247.41
78	42.76	80.94	114.54	145.08	171.05	64.14	120.65	171.05	216.86	256.57
79	44.29	82.47	119.12	149.67	178.68	64.14	123.70	177.16	224.50	267.26
80	45.82	88.58	126.76	161.88	193.95	67.20	129.81	189.37	242.82	291.70
81	45.82	90.10	129.81	167.99	201.59	68.72	134.39	195.48	250.46	302.39
82	47.34	91.63	134.39	174.10	209.23	70.25	137.45	201.59	259.62	314.60
83	47.34	93.16	135.92	177.16	215.34	70.25	138.98	203.12	265.73	322.24
84	45.82	94.69	138.98	180.21	218.39	71.78	140.50	207.70	270.31	329.88
85	47.34	97.74	146.61	190.90	235.19	73.31	146.61	218.39	288.64	352.78
86	48.87	97.74				71.78	148.14			
87	47.34	99.27				71.78	149.67			
88	45.82	99.27				70.25	148.14			
89	45.82	96.21				67.20	145.08			

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
LIR Policy Form Series
LIR Rates for PAL Base Policy- 180 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	12.22	21.38	29.02	36.65	41.23	18.33	32.07	44.29	53.45	62.62
50	15.27	29.02	39.71	47.34	54.98	22.91	42.76	58.03	71.78	82.47
55	19.85	35.13	48.87	58.03	67.20	29.02	53.45	73.31	87.05	100.80
60	22.91	41.23	58.03	70.25	80.94	33.60	64.14	87.05	103.85	120.65
65	25.96	47.34	64.14	77.89	90.10	38.18	70.25	96.21	117.59	135.92
66	25.96	48.87	67.20	80.94	93.16	38.18	71.78	99.27	122.18	140.50
67	27.49	50.40	68.72	84.00	97.74	41.23	74.83	102.32	126.76	146.61
68	29.02	51.92	71.78	88.58	102.32	41.23	77.89	106.90	131.34	152.72
69	29.02	53.45	74.83	91.63	106.90	44.29	80.94	111.49	137.45	158.83
70	30.54	56.51	77.89	96.21	111.49	44.29	84.00	114.54	143.56	166.46
71	32.07	56.51	80.94	99.27	116.07	45.82	85.52	120.65	149.67	172.57
72	30.54	59.56	84.00	102.32	120.65	47.34	88.58	123.70	154.25	178.68
73	32.07	61.09	87.05	106.90	125.23	48.87	91.63	128.28	160.36	186.32
74	33.60	64.14	88.58	109.96	129.81	50.40	94.69	134.39	164.94	193.95
75	35.13	65.67	93.16	116.07	137.45	51.92	99.27	140.50	177.16	206.17
76	36.65	67.20	96.21	120.65	142.03	53.45	100.80	145.08	181.74	215.34
77	35.13	70.25	99.27	125.23	148.14	54.98	105.38	149.67	187.85	221.44
78	36.65	71.78	102.32	129.81	154.25	54.98	106.90	152.72	195.48	230.61
79	38.18	73.31	105.38	134.39	160.36	56.51	109.96	158.83	201.59	239.77
80	38.18	77.89	113.01	145.08	174.10	58.03	116.07	169.52	216.86	259.62
81	39.71	79.41	114.54	149.67	180.21	59.56	117.59	172.57	224.50	270.31
82	39.71	80.94	119.12	154.25	186.32	61.09	120.65	178.68	230.61	281.00
83	41.23	82.47	120.65	157.30	190.90	61.09	122.18	181.74	235.19	287.11
84	39.71	82.47	123.70	160.36	195.48	61.09	123.70	183.26	241.30	291.70
85	41.23	85.52	128.28	169.52	207.70	61.09	128.28	193.95	255.04	313.08
86	41.23	87.05				62.62	129.81			
87	41.23	87.05				61.09	131.34			
88	39.71	85.52				61.09	128.28			
89	39.71	84.00				58.03	125.23			

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
HCS Policy Form Series
HCS Rates for PAL Base Policy- 0 Day EP
\$10 Daily Benefit

<u>Age</u>	Class AA					Class A				
	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>	<u>12 mo.</u>	<u>24 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>	<u>60 mo.</u>
40	9.16	15.27	21.38	24.44	29.02	15.27	22.91	30.54	35.13	41.23
50	15.27	22.91	29.02	35.13	38.18	21.38	35.13	44.29	51.92	58.03
55	16.80	29.02	38.18	44.29	48.87	27.49	44.29	56.51	65.67	73.31
60	22.91	39.71	48.87	56.51	62.62	35.13	56.51	73.31	85.52	94.69
65	29.02	47.34	59.56	67.20	74.83	44.29	68.72	88.58	100.80	111.49
66	32.07	48.87	61.09	70.25	76.36	45.82	73.31	91.63	105.38	114.54
67	33.60	50.40	64.14	73.31	79.41	48.87	76.36	96.21	109.96	119.12
68	35.13	54.98	68.72	77.89	85.52	53.45	82.47	103.85	117.59	128.28
69	38.18	58.03	73.31	82.47	90.10	56.51	88.58	109.96	125.23	135.92
70	41.23	64.14	79.41	93.16	100.80	62.62	97.74	120.65	138.98	149.67
71	44.29	68.72	85.52	97.74	105.38	65.67	103.85	128.28	146.61	157.30
72	47.34	73.31	90.10	102.32	111.49	70.25	109.96	134.39	154.25	166.46
73	50.40	77.89	97.74	109.96	117.59	76.36	117.59	145.08	164.94	178.68
74	54.98	84.00	103.85	116.07	126.76	80.94	125.23	155.77	177.16	190.90
75	59.56	93.16	116.07	132.87	142.03	90.10	140.50	174.10	198.54	213.81
76	64.14	99.27	123.70	138.98	151.19	96.21	148.14	184.79	210.75	226.03
77	68.72	103.85	129.81	146.61	160.36	100.80	157.30	195.48	221.44	239.77
78	73.31	114.54	142.03	160.36	172.57	111.49	172.57	212.28	239.77	259.62
79	80.94	123.70	152.72	172.57	186.32	120.65	186.32	229.08	258.10	279.48
80	90.10	142.03	177.16			135.92	213.81	267.26		
81	96.21	152.72	190.90			146.61	229.08	285.59		
82	105.38	163.41	203.12			155.77	244.35	303.91		
83	109.96	169.52	210.75			163.41	255.04	317.66		
84	114.54	178.68	219.92			172.57	267.26	329.88		
85	125.23	197.01				187.85	297.80			
86	131.34	206.17				197.01	308.49			
87	135.92	213.81				204.64	320.71			
88	140.50	221.44				210.75	329.88			
89	143.56	226.03				215.34	339.04			

Exhibit 6C - Proposed Rates
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
R-NF Policy Form Series
R-NF, R-QNF Rates
% of Base & All Other Rider Rates excluding DVH Riders

Elimination Period Age	0	20	100	180
40	20%	20%	22%	25%
50	20%	20%	22%	25%
55	20%	20%	22%	25%
60	20%	20%	22%	25%
65	22%	22%	24%	27%
66	22%	22%	24%	27%
67	22%	22%	24%	27%
68	22%	22%	24%	27%
69	22%	22%	24%	27%
70	25%	25%	27%	30%
71	25%	25%	27%	30%
72	25%	25%	27%	30%
73	25%	25%	27%	30%
74	25%	25%	27%	30%
75	27%	27%	29%	31%
76	27%	27%	29%	31%
77	27%	27%	29%	31%
78	27%	27%	29%	31%
79	27%	27%	29%	31%
80	28%	28%	30%	32%
81	28%	28%	30%	32%
82	28%	28%	30%	32%
83	28%	28%	30%	32%
84	28%	28%	30%	32%
85	28%	28%	30%	32%
86	28%	28%	30%	32%
87	28%	28%	30%	32%
88	28%	28%	30%	32%
89	28%	28%	30%	32%

R-DVH Rates
Annual Per Policy

R-DVH-2	258.10
R-DVH-3	354.31

**POLICY CHANGE
ENDORSEMENT**

Effective Date: _____ Policy No.: _____

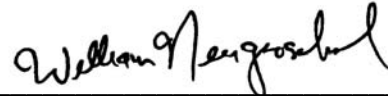
Issued to: _____

Your Policy originally issued by National States Insurance Company and assumed by United Security Assurance Company of Pennsylvania is amended as follows:

[In accordance with the request of the Insured, the following change is made to the Policy: The Maximum Daily Benefit is \$[xxx.xx].]

In witness whereof, UNITED SECURITY ASSURANCE COMPANY OF PENNSYLVANIA, SOUDERTON, PENNSYLVANIA, has caused this endorsement to be signed by its President.

Signature of Insured



President

PCE-U (NSI)

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	USA-NSI Filing 2011 -- Virginia		
Project Name/Number:	/		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Elsie Andy	04/16/2015	04/16/2015

SERFF Tracking #:	USPA-127712645	State Tracking #:	USPA-127712645	Company Tracking #:	PCE-U
State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania		
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified				
Product Name:	USA-NSI Filing 2011 -- Virginia				
Project Name/Number:	/				

Disposition

Disposition Date: 01/10/2012

Effective Date:

Status: Approved

Comment: United Security Assurance Company of Pennsylvania

SERFF Tracking No: USPA-127712645

This is to acknowledge receipt of the revised statement of variability that was expanded in order to facilitate policy changes that may become necessary due to the potential impact of premium rate increases.

Please let us know if you have any questions regarding this matter.

Sincerely,
Elsie Andy
Senior Insurance Market Examiner

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Certification of Compliance	Received & Acknowledged	Yes
Supporting Document	L&H Readability - Health	Received & Acknowledged	Yes
Supporting Document	VA COA	Received & Acknowledged	Yes
Supporting Document (revised)	Statement of Variability rev. 04.2015	Received & Acknowledged	Yes
Supporting Document	04.13.15 Objection Response Letter	Received & Acknowledged	No
Supporting Document	Certification of Compliance	Received & Acknowledged	No
Supporting Document	Statement of Variability rev. 04.2015	Pending for Information	Yes
Supporting Document	statement of variables	Received & Acknowledged	Yes
Form (revised)	policy change endorsement	Approved	Yes
Form	policy change endorsement	Disapproved	No

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	USA-NSI Filing 2011 -- Virginia		
Project Name/Number:	/		

Form Schedule

Lead Form Number:								
Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1	Approved 01/10/2012	policy change endorsement	PCE-U (NSI)	POLA	Initial		70.570	PCE-U-NSI.pdf

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NAP	Network Access Plan
NOC	Notice of Coverage	OTH	Other
OUT	Outline of Coverage	PJK	Policy Jacket
POL	Policy/Contract/Fraternal Certificate	POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider
PRC	Provider Contract/Provider Addendum/Provider Leading Agreement	PRD	Provider Directory

**POLICY CHANGE
ENDORSEMENT**

Effective Date: _____ Policy No.: _____

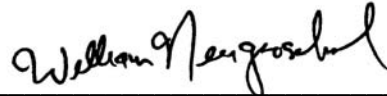
Issued to: _____

Your Policy originally issued by National States Insurance Company and assumed by United Security Assurance Company of Pennsylvania is amended as follows:

[In accordance with the request of the Insured, the following change is made to the Policy: The Maximum Daily Benefit is \$[xxx.xx].]

In witness whereof, UNITED SECURITY ASSURANCE COMPANY OF PENNSYLVANIA, SOUDERTON, PENNSYLVANIA, has caused this endorsement to be signed by its President.

Signature of Insured



President

PCE-U (NSI)

State:	Virginia	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.002 Non Qualified		
Product Name:	USA-NSI Filing 2011 -- Virginia		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Statement of Variability rev. 04.2015
Comments:	
Attachment(s):	PCE-U-SOV-9-11 rev. 04.13.15.pdf
Item Status:	Received & Acknowledged
Status Date:	04/16/2015

Statement of PCE Variables
For use with form: PCE-U (NSI)

- [The correct premium for the Policy is shown in the Policy Schedule.]
- [The correct premium for this Policy is \$[xxx.xx].]
- [The correct age of the Insured is [xx].]
- [The response to question #[x] on the application is [Yes] [No].]
- [The Maximum Daily Benefit of the Policy is \$[xxx.xx].]
- [The Maximum Benefit Period of the Policy is [1 to 5 years].]
- [The Elimination Period of the Policy is [xxx] days.]
- [In consideration of the application and additional premium collected, the following coverage has been added to the Policy effective [date]: [Benefit Rider Form xxx-xx-x]. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly].]
- [The beneficiary designation has been changed to [name, relationship]. This change is effective [date].]
- [In accordance with the request of the Insured, the following change is made to the Policy: The Maximum Daily Benefit is \$[xxx.xx]. The Maximum Benefit Period is [1 to 5 years]. The Elimination Period is [xxx] days. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly]. The effective date of this change is [date].]
- [In consideration of the request to reduce premium, the following coverage has been removed from the Policy effective [date]: [Benefit Rider Form xxx-xx-x]. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly].]
- [Effective [date], the Contingent Nonforfeiture Benefit provides the following benefits with no additional premium due: The Maximum Daily Benefit from the [policy] [home health care rider] is \$[xx.xx]. The Maximum Benefit Period from the [policy] [home health care rider] is [30 to 500 days]. The Elimination Period from the [policy] [home health care rider] is [xxx] days.]

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Company Name and NAIC Number:

United Security Assurance Company of Pennsylvania NAIC 42129

SERFF Tracking Number:

USPA-132069185

Revised Rates

Average Annual Premium Per Member:

\$2,115

Average Requested Percentage Rate Change Per Member:

134.2%

Range of Requested Rate Changes:

134.2%

Number of Virginia Policyholders Affected:

7

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
PAL1	Long Term Care base policy	1998-2009	2013 - 15%	If this request is granted, no further increases anticipated
PAL1(02)R	Long Term Care base policy	1998-2009	2013 - 15%	If this request is granted, no further increases anticipated
R-DVH-2	Dental, Vision, Hearing rider	1998-2009	2013 - 15%	If this request is granted, no further increases anticipated
R-DVH-3	Dental, Vision, Hearing rider	1998-2009	2013 - 15%	If this request is granted, no further increases anticipated
R-LIR-4	Inflation Rider	1998-2009	2013 - 15%	If this request is granted, no further increases anticipated
R-NF	Non-Forfeiture Rider	1998-2009	2013 - 15%	If this request is granted, no further increases anticipated
R-HCS	Home Health Care Rider	1998-2009	2013 - 15%	If this request is granted, no further increases anticipated

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

(Rev. 06/19)

Statement of Variability for Policyholder Notification Letters

The [Date] field will contain the date the letter is sent to the policyholder.

The **Policy Number:** [xxxxxxxxxxx] field will display the policyholder's policy number.

The **Decision Due Date:** [mm/dd/yyyy] field will display the date, by which, the policyholder must reply to or in some way contact the Company regarding any action related to the rate increase notification.

The [Name] field will show the name of the insured, to which the letter is directed.

The [Address] field will show the address of the insured, to which the letter is directed.

The [Policyholder] field will display the name of the insured, to which the letter is directed.

The [xx.x]% field will show the percentage amount of the premium rate increase for each of the 3 years which Virginia accepts.

The [xx.xx%.] field will display the total percentage impact of the accepted 3 annual increases.

The next [xx.x%] field will display the first percentage increase of the series accepted by Virginia.

Under the title Billing Anniversary Date, the [Month & Date] will display the calendar month and the day of the month which corresponds to the policy anniversary date. The calendar year [2019], etc., will display the calendar year of the 1st, 2nd, and 3rd increases – if the series of increases is accepted in 2019, the years will be as displayed in the letter – if the series of increases is not accepted in time for implementation in 2019, the calendar years would be 2020, 2021, and 2022.

In the title Prior [Modal] Premium, the chosen premium mode will be displayed: Annual, Semi-annual, Quarterly, or Monthly. Under the title Prior [Modal] Premium will be displayed the dollar amount of the premium in effect prior to the scheduled rate increase.

In the title New [Modal] Premium, the chosen premium mode will be displayed: Annual, Semi-annual, Quarterly, or Monthly. Under the title New [Modal] Premium will be displayed the prior premium + the percent increase and the resulting new modal premium for each of the 3 increases.

For 'Our toll free number', the extension is not determined at this point, so it is represented by [1-877-782-4663 ext. xxx].

The signature to be used on the letters may or may not be [Elaine Griffin Director of Operations]. The actual signature name will be decided after acceptance of the rate increase(s).

Statement of PCE Variables
For use with form: PCE-U (NSI)

- [The correct premium for the Policy is shown in the Policy Schedule.]
- [The correct premium for this Policy is \$[xxx.xx].]
- [The correct age of the Insured is [xx].]
- [The response to question #[x] on the application is [Yes] [No].]
- [The Maximum Daily Benefit of the Policy is \$[xxx.xx].]
- [The Maximum Benefit Period of the Policy is [1 to 5 years].]
- [The Elimination Period of the Policy is [xxx] days.]
- [In consideration of the application and additional premium collected, the following coverage has been added to the Policy effective [date]: [Benefit Rider Form xxx-xx-x]. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly].]
- [The beneficiary designation has been changed to [name, relationship]. This change is effective [date].]
- [In accordance with the request of the Insured, the following change is made to the Policy: The Maximum Daily Benefit is \$[xxx.xx]. The Maximum Benefit Period is [1 to 5 years]. The Elimination Period is [xxx] days. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly]. The effective date of this change is [date].]
- [In consideration of the request to reduce premium, the following coverage has been removed from the Policy effective [date]: [Benefit Rider Form xxx-xx-x]. The new premium is \$[xxx.xx] [Annually] [Semi-Annually] [Quarterly] [Monthly].]
- [Effective [date], the Contingent Nonforfeiture Benefit provides the following benefits with no additional premium due: The Maximum Daily Benefit from the [policy] [home health care rider] is \$[xx.xx]. The Maximum Benefit Period from the [policy] [home health care rider] is [30 to 500 days]. The Elimination Period from the [policy] [home health care rider] is [xxx] days.]

United Security Assurance Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,
Souderton, Pennsylvania 18964
(800) 872-3044

February 18, 2020

Mr. Greg Smith
Principal Insurance Examiner
Virginia Bureau of Insurance
804-371-9348

Re: United Security Assurance Company of PA
Rate Increase Filing for PAL1 et al.
Your Objection Dated 1/23/2020
SERFF Tracking Number: USPA-132069185

Dear Mr. Smith:

Listed below are the responses to the items listed in your letter regarding the above referenced filing. Each of the objections is listed in italics with the response immediately following.

Objection 1

Comments:

Since we use the original pricing projection in our analysis (a direct dollar-based comparison with the current and proposed projections), the data in Exhibit 2 does not provide enough detail. While we understand that there may be some difficulty due to loss of data at the acquisition of the business, we ask that the Company recreate a calendar year projection of earned premiums and incurred claims that the actual cohort of policies sold would have experienced using the original premium scale and original mortality, lapse, and morbidity assumptions. In other words, what would have occurred if the original assumptions had played out exactly as anticipated, with the exception of the assumed business mix.

This was a challenge, as it has never been done and all projections in the original pricing information we received at acquisition assumed all business was sold in the first year and then projected a run-off of those assumed sales. By using the policy issued counts provided at assumption, the pricing assumptions of persistency, morbidity, mortality and the original premium assumption, I have created the attached projection (page 1 of 3 in "Original Projection.pdf").

In looking at the actual premiums (page 2 of 3 – updated with 2019 actual experience) versus this original projection, it is obvious that actual persistency has been far greater than originally expected. In looking at the incurred claims, it is again obvious that actual persistency has generated far more claims than expected. And in examining the loss ratios, and looking at the actual versus expected loss ratios, the impact of past rate increase approvals do show up in some of the actual loss ratios being below the expected loss ratios, but Virginia has not contributed to that impact at all, having approved only 1 increase of 15% in 2012, while other states have approved a cumulative average increase of 267% over the past 9 years, greatly subsidizing the few Virginia policyholders.

Page 3 of this file shows the ratios of the year by year cumulative loss ratios (actual to expected) where the actual is consistently higher than expected after the first few years.

Objection 2

Comments:

Please advise whether the nationwide earned premiums have been recomputed assuming both the prior and requested rate increases in Virginia had been used nationwide. Revise projections as appropriate.

February 18, 2020

Page 2

I have re-created Exhibit 3 (no rate increase) and Exhibit 4 (a one-time 109.645% rate increase) on a Virginia premium basis (i.e., removed the average annual rate increases from the prior exhibits and applied the one-time 15% VA approved rate increase in 2012). For comparison purposes, I have also provided new projections (Exhibit 3 and Exhibit 4) with the actual 2019 results. These are provided in "Exhibits on VA Prem Basis.pdf".

Objection 3

Comments:

Please provide the nationwide active life reserves as of the projection date.

The nationwide active life reserves for these assumed NSI policies as of 12/31/2018 are \$11,492,698; as of 12/31/2019, the ALR is \$11,114,645.

Objection 4

Comments:

Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.

Please see the file Historical Rate Increase Data.xlsx.

Objection 5

Comments:

Please update the Average Annual Premium Per Member in the Part 1 to reflect the average annual premium after the increase for Virginia policies.

The average annual premium after the requested 134.2% increase for Virginia policies would be \$4,953. As of 12/31/2019, the average VA premium per policy is only 62.4% of the national average premium per policy.

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,



Gary R. Hulet, ASA, MAAA
Staff Actuary
United Security Assurance Company of PA
20 Bayberry Drive
Leesburg, FL 34788
407-474-1727

cc: Bill Neugroschel
Duff Winkenwerder
Martha Stephens

P.S. As for your objection dated 02/10/2020, I sent a note to reviewer asking for additional information, but as of 02/17/2020, there has been no response.

Projection using Original Assumptions			
Calendar Yr	Premium	Inc Claims	Loss Ratio
1997	11,209.84	864.08	7.7%
1998	93,043.91	9,542.36	10.3%
1999	412,565.83	52,458.25	12.7%
2000	682,645.91	148,550.34	21.8%
2001	970,662.85	260,311.49	26.8%
2002	1,486,572.61	404,213.17	27.2%
2003	1,895,301.46	601,392.95	31.7%
2004	2,240,699.33	801,546.48	35.8%
2005	2,645,862.46	1,003,413.60	37.9%
2006	3,085,491.22	1,230,523.64	39.9%
2007	3,309,300.72	1,463,089.64	44.2%
2008	3,356,259.73	1,649,785.47	49.2%
2009	3,235,382.76	1,780,246.82	55.0%
2010	2,797,935.29	1,835,087.05	65.6%
2011	2,446,811.15	1,805,236.79	73.8%
2012	2,147,656.53	1,752,021.06	81.6%
2013	1,885,483.74	1,688,237.01	89.5%
2014	1,651,632.74	1,612,895.61	97.7%
2015	1,440,192.46	1,526,612.43	106.0%
2016	1,247,557.95	1,430,450.54	114.7%
2017	1,071,625.11	1,322,556.36	123.4%
2018	911,255.41	1,206,118.39	132.4%
2019	765,983.13	1,083,884.10	141.5%
2020	635,668.74	958,554.64	150.8%
2021	520,196.49	833,665.78	160.3%
2022	419,314.07	710,999.79	169.6%
2023	332,396.58	594,165.59	178.8%
2024	258,600.34	485,650.13	187.8%
2025	196,773.58	387,003.18	196.7%
2026	146,446.07	301,232.49	205.7%
2027	106,116.04	227,486.21	214.4%
2028	74,118.19	164,861.75	222.4%
2029	49,907.21	114,874.92	230.2%
2030	31,992.01	76,034.37	237.7%
2031	18,933.93	46,371.02	244.9%
2032	9,851.85	24,756.45	251.3%
2033	4,322.97	11,131.75	257.5%
2034	1,305.46	3,439.73	263.5%
Totals	42,597,075.67	29,609,265.42	69.5%
Net Pres Val @4.35%	24,497,534.68	14,834,878.11	60.6%

Exhibit 3
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with Accepted Rate Increases: Loss Ratio
Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2019)

	Cash	Earned	Paid	Incurred	Loss
<u>Year</u>	<u>Premium</u>	<u>Premium</u>	<u>Claims</u>	<u>Claims</u>	<u>Ratio</u>
1997	-	-	-	-	0.0%
1998	154,014	154,014	-	-	0.0%
1999	102,507	102,507	4,674	4,674	4.6%
2000	2,599,547	2,599,547	130,246	130,246	5.0%
2001	3,584,882	3,584,882	639,514	639,514	17.8%
2002	4,588,591	4,588,591	1,086,677	1,086,677	23.7%
2003	5,189,568	5,189,568	1,825,310	1,825,310	35.2%
2004	5,957,734	5,957,734	2,354,720	2,354,720	39.5%
2005	6,619,449	6,619,449	3,047,384	3,047,384	46.0%
2006	7,328,653	7,328,653	3,413,658	3,413,658	46.6%
2007	7,828,366	7,828,366	4,064,396	4,064,396	51.9%
2008	7,830,214	7,830,214	4,957,913	4,957,913	63.3%
2009	7,972,665	7,972,665	4,748,634	4,748,634	59.6%
2010	7,453,351	7,606,466	1,830,031	3,796,118	49.9%
2011	6,720,206	6,864,034	3,980,744	5,457,584	79.5%
2012	6,294,714	6,289,848	4,918,153	7,793,964	123.9%
2013	5,893,762	5,972,441	5,157,654	4,486,575	75.1%
2014	5,559,989	5,643,388	5,504,049	6,432,691	114.0%
2015	5,138,780	5,215,861	5,508,624	6,944,830	133.1%
2016	4,713,995	4,784,705	5,682,767	6,233,876	130.3%
2017	4,184,209	4,246,972	5,104,219	4,761,120	112.1%
2018	3,748,222	3,804,445	4,217,236	3,215,130	84.5%
2019	3,135,849	3,244,349	4,126,301	4,650,201	143.3%
Cumulative @ 4.35%		178,902,616		113,819,678	63.6%
2020	3,217,708	3,265,974	2,218,845	4,206,933	128.8%
2021	3,343,385	3,393,536	2,603,531	3,896,929	114.8%
2022	3,040,996	3,086,611	2,518,904	3,790,628	122.8%
2023	2,664,386	2,704,351	2,427,979	3,679,626	136.1%
2024	2,325,273	2,360,152	2,356,927	3,587,127	152.0%
2025	2,021,075	2,051,391	2,287,401	3,491,502	170.2%
2026	1,749,187	1,775,425	2,216,457	3,405,254	191.8%
2027	1,507,051	1,529,657	2,141,107	3,311,659	216.5%
2028	1,292,196	1,311,579	2,051,636	3,200,793	244.0%
2029	1,102,266	1,118,800	1,967,631	3,089,831	276.2%
2030	935,071	949,097	1,882,437	2,970,165	312.9%
2031	788,575	800,404	1,794,680	2,853,025	356.4%
2032	660,890	670,803	1,704,077	2,729,077	406.8%
2033	550,248	558,501	1,600,846	2,585,622	463.0%
2034	454,971	461,795	1,496,526	2,436,872	527.7%
2035	373,475	379,077	1,389,284	2,278,566	601.1%
2036	304,277	308,841	1,284,350	2,124,069	687.8%
2037	245,989	249,679	1,183,120	1,971,797	789.7%
2038	197,306	200,265	1,079,187	1,813,191	905.4%
2039	156,996	159,351	977,491	1,656,104	1039.3%
2040	123,913	125,771	874,944	1,495,250	1188.9%
2041	97,008	98,463	776,564	1,337,916	1358.8%
2042	75,336	76,466	685,802	1,191,325	1558.0%
2043	58,047	58,918	599,172	1,048,184	1779.1%
2044	44,388	45,053	519,045	913,620	2027.9%
2045	33,699	34,204	443,352	784,708	2294.2%
2046	25,416	25,797	374,066	664,745	2576.9%
2047	19,058	19,344	311,595	555,313	2870.8%
2048	14,222	14,435	256,459	457,461	3169.1%
2049	10,572	10,730	208,583	371,952	3466.4%
2050	7,835	7,952	167,403	297,670	3743.1%
2051	5,793	5,880	132,432	234,278	3984.1%
2052	4,276	4,340	102,947	180,860	4167.1%
PV of Future @ 4.35%		21,589,800		44,535,567	206.3%
Total		200,492,416		158,355,245	79.0%

Year	Actual			Actual / Expected	Expected		
	Cumulative Premium	Cumulative Incurred Claims	Cumulative Loss Ratio		Cumulative Loss Ratio	Cumulative Premium	Cumulative Incurred Claims
1997	-	-	0.0%	0.0%	7.7%	11,210	864
1998	154,014	-	0.0%	0.0%	10.0%	104,254	10,406
1999	256,521	4,674	1.8%	15.0%	12.2%	516,820	62,865
2000	2,856,067	134,920	4.7%	26.8%	17.6%	1,199,465	211,415
2001	6,440,950	774,433	12.0%	55.3%	21.7%	2,170,128	471,727
2002	11,029,541	1,861,110	16.9%	70.4%	24.0%	3,656,701	875,940
2003	16,219,109	3,686,421	22.7%	85.4%	26.6%	5,552,002	1,477,333
2004	22,176,843	6,041,141	27.2%	93.2%	29.2%	7,792,702	2,278,879
2005	28,796,292	9,088,525	31.6%	100.4%	31.4%	10,438,564	3,282,293
2006	36,124,945	12,502,182	34.6%	103.7%	33.4%	13,524,055	4,512,816
2007	43,953,311	16,566,579	37.7%	106.2%	35.5%	16,833,356	5,975,906
2008	51,783,525	21,524,491	41.6%	110.1%	37.8%	20,189,616	7,625,691
2009	59,756,190	26,273,126	44.0%	109.5%	40.2%	23,424,999	9,405,938
2010	67,362,656	30,069,244	44.6%	104.1%	42.9%	26,222,934	11,241,025
2011	74,226,690	35,526,828	47.9%	105.2%	45.5%	28,669,745	13,046,262
2012	80,516,538	43,320,792	53.8%	112.0%	48.0%	30,817,402	14,798,283
2013	86,488,979	47,807,367	55.3%	109.6%	50.4%	32,702,885	16,486,520
2014	92,132,367	54,240,058	58.9%	111.7%	52.7%	34,354,518	18,099,416
2015	97,348,229	61,184,888	62.9%	114.6%	54.8%	35,794,711	19,626,028
2016	102,132,934	67,418,765	66.0%	116.1%	56.8%	37,042,268	21,056,479
2017	106,379,906	72,179,885	67.9%	115.6%	58.7%	38,113,894	22,379,035
2018	110,184,351	75,395,015	68.4%	113.2%	60.4%	39,025,149	23,585,154
2019	113,428,700	80,045,216	70.6%	113.8%	62.0%	39,791,132	24,669,038
2020	116,694,673	84,252,149	72.2%	113.9%	63.4%	40,426,801	25,627,592
2021	120,088,209	88,149,077	73.4%	113.6%	64.6%	40,946,997	26,461,258
2022	123,174,820	91,939,705	74.6%	113.6%	65.7%	41,366,311	27,172,258
2023	125,879,171	95,619,332	76.0%	114.1%	66.6%	41,698,708	27,766,423
2024	128,239,323	99,206,458	77.4%	114.9%	67.3%	41,957,308	28,252,074
2025	130,290,714	102,697,960	78.8%	116.0%	67.9%	42,154,082	28,639,077
2026	132,066,139	106,103,215	80.3%	117.4%	68.4%	42,300,528	28,940,309
2027	133,595,796	109,414,874	81.9%	119.1%	68.8%	42,406,644	29,167,795
2028	134,907,375	112,615,667	83.5%	120.9%	69.0%	42,480,762	29,332,657
2029	136,026,175	115,705,498	85.1%	122.9%	69.2%	42,530,669	29,447,532
2030	136,975,272	118,675,663	86.6%	124.9%	69.4%	42,562,661	29,523,566
2031	137,775,676	121,528,688	88.2%	127.0%	69.4%	42,581,595	29,569,937
2032	138,446,480	124,257,765	89.8%	129.2%	69.5%	42,591,447	29,594,694
2033	139,004,981	126,843,387	91.3%	131.3%	69.5%	42,595,770	29,605,826
2034	139,466,777	129,280,258	92.7%	133.4%	69.5%	42,597,076	29,609,265

Exhibit 3 - 2018
United Security Assurance Company of PA
Business Assumed from National States Insurance Co.
Current Expectations with No Rate Increase
Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

Virginia Premium Basis			
<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1997	-	-	0.0%
1998	154,014	-	0.0%
1999	102,507	4,674	4.6%
2000	2,599,547	130,246	5.0%
2001	3,584,882	639,514	17.8%
2002	4,588,591	1,086,677	23.7%
2003	5,189,568	1,825,310	35.2%
2004	5,957,734	2,354,720	39.5%
2005	6,619,449	3,047,384	46.0%
2006	7,328,653	3,413,658	46.6%
2007	7,828,366	4,064,396	51.9%
2008	7,830,214	4,957,913	63.3%
2009	7,972,665	4,748,634	59.6%
2010	7,606,466	3,796,118	49.9%
2011	6,268,524	5,457,584	87.1%
2012	6,174,965	7,793,964	126.2%
2013	4,942,811	4,486,575	90.8%
2014	4,122,229	6,432,691	156.0%
2015	3,342,053	6,944,830	207.8%
2016	2,656,665	6,233,876	234.7%
2017	2,114,882	4,761,120	225.1%
2018	1,650,274	3,215,130	194.8%
Cumulative @ 4.35%	155,138,665	104,522,675	67.4%
2019	1,516,665	3,752,939	247.4%
2020	1,400,839	3,583,021	255.8%
2021	1,299,865	3,411,649	262.5%
2022	1,130,478	3,263,689	288.7%
2023	979,326	3,099,978	316.5%
2024	845,126	2,972,176	351.7%
2025	726,535	2,837,508	390.6%
2026	622,189	2,691,624	432.6%
2027	530,738	2,560,144	482.4%
2028	450,869	2,415,787	535.8%
2029	381,343	2,285,704	599.4%
2030	321,020	2,159,845	672.8%
2031	268,869	2,023,973	752.8%
2032	223,966	1,890,371	844.0%
2033	185,478	1,749,818	943.4%
2034	152,652	1,609,796	1054.6%
2035	124,807	1,473,587	1180.7%
2036	101,337	1,337,657	1320.0%
2037	81,692	1,206,769	1477.2%
2038	65,373	1,079,443	1651.2%
2039	51,924	956,061	1841.3%
2040	40,927	839,431	2051.0%
2041	32,011	731,080	2283.9%
2042	24,843	631,320	2541.2%
2043	19,133	541,026	2827.8%
2044	14,623	458,371	3134.7%
2045	11,092	384,536	3466.7%
2046	8,354	319,331	3822.3%
2047	6,250	262,385	4198.1%
2048	4,647	216,442	4657.5%
2049	3,436	177,063	5152.9%
2050	2,528	143,816	5689.2%
2051	1,851	115,896	6260.1%
PV of Future @ 4.35%	9,058,778	35,825,525	395.5%
Total	164,197,443	140,348,200	85.5%

Exhibit 4 - 2018

United Security Assurance Company of PA

Business Assumed from National States Insurance Co.

Current Expectations with a one-time 109.645% Rate Increase

Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2018)

Virginia Premium Basis

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1997	-	-	0.0%
1998	154,014	-	0.0%
1999	102,507	4,674	4.6%
2000	2,599,547	130,246	5.0%
2001	3,584,882	639,514	17.8%
2002	4,588,591	1,086,677	23.7%
2003	5,189,568	1,825,310	35.2%
2004	5,957,734	2,354,720	39.5%
2005	6,619,449	3,047,384	46.0%
2006	7,328,653	3,413,658	46.6%
2007	7,828,366	4,064,396	51.9%
2008	7,830,214	4,957,913	63.3%
2009	7,972,665	4,748,634	59.6%
2010	7,606,466	3,796,118	49.9%
2011	6,268,524	5,457,584	87.1%
2012	6,174,965	7,793,964	126.2%
2013	4,942,811	4,486,575	90.8%
2014	4,122,229	6,432,691	156.0%
2015	3,342,053	6,944,830	207.8%
2016	2,656,665	6,233,876	234.7%
2017	2,114,882	4,761,120	225.1%
2018	1,650,274	3,215,130	194.8%
Cumulative @ 4.35%	155,138,665	104,522,675	67.4%
2019	2,043,962	3,752,939	183.6%
2020	2,531,930	3,583,021	141.5%
2021	2,294,616	3,411,649	148.7%
2022	2,024,843	3,263,689	161.2%
2023	1,757,852	3,099,978	176.4%
2024	1,520,490	2,972,176	195.5%
2025	1,310,399	2,837,508	216.5%
2026	1,125,196	2,691,624	239.2%
2027	962,537	2,560,144	266.0%
2028	820,160	2,415,787	294.6%
2029	695,919	2,285,704	328.4%
2030	587,848	2,159,845	367.4%
2031	494,157	2,023,973	409.6%
2032	413,240	1,890,371	457.5%
2033	343,652	1,749,818	509.2%
2034	284,081	1,609,796	566.7%
2035	233,347	1,473,587	631.5%
2036	190,392	1,337,657	702.6%
2037	154,262	1,206,769	782.3%
2038	124,088	1,079,443	869.9%
2039	99,076	956,061	965.0%
2040	78,504	839,431	1069.3%
2041	61,720	731,080	1184.5%
2042	48,144	631,320	1311.3%
2043	37,261	541,026	1452.0%
2044	28,615	458,371	1601.9%
2045	21,808	384,536	1763.3%
2046	16,500	319,331	1935.4%
2047	12,399	262,385	2116.3%
2048	9,259	216,442	2337.7%
2049	6,876	177,063	2575.2%
2050	5,080	143,816	2831.0%
2051	3,737	115,896	3101.4%
PV of Future @ 4.35%	15,679,284	35,825,525	228.5%
Total	170,817,949	140,348,200	82.2%

Exhibit 3 - 2019
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with Accepted Rate Increases: Loss Ratio
Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2019)

Virginia Premium Basis			
<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1997	-	-	0.0%
1998	154,014	-	0.0%
1999	102,507	4,674	4.6%
2000	2,599,547	130,246	5.0%
2001	3,584,882	639,514	17.8%
2002	4,588,591	1,086,677	23.7%
2003	5,189,568	1,825,310	35.2%
2004	5,957,734	2,354,720	39.5%
2005	6,619,449	3,047,384	46.0%
2006	7,328,653	3,413,658	46.6%
2007	7,828,366	4,064,396	51.9%
2008	7,830,214	4,957,913	63.3%
2009	7,972,665	4,748,634	59.6%
2010	7,606,466	3,796,118	49.9%
2011	6,268,524	5,457,584	87.1%
2012	5,744,153	7,793,964	135.7%
2013	4,298,096	4,486,575	104.4%
2014	3,584,547	6,432,691	179.5%
2015	2,906,133	6,944,830	239.0%
2016	2,310,143	6,233,876	269.8%
2017	1,839,027	4,761,120	258.9%
2018	1,435,021	3,215,130	224.0%
2019	1,223,755	4,650,201	380.0%
Cumulative @ 4.35%	159,548,037	113,819,678	71.3%
2020	1,231,912	4,206,933	341.5%
2021	1,280,028	3,896,929	304.4%
2022	1,164,257	3,790,628	325.6%
2023	1,020,070	3,679,626	360.7%
2024	890,240	3,587,127	402.9%
2025	773,776	3,491,502	451.2%
2026	669,683	3,405,254	508.5%
2027	576,980	3,311,659	574.0%
2028	494,722	3,200,793	647.0%
2029	422,007	3,089,831	732.2%
2030	357,996	2,970,165	829.7%
2031	301,909	2,853,025	945.0%
2032	253,024	2,729,077	1078.6%
2033	210,664	2,585,622	1227.4%
2034	174,187	2,436,872	1399.0%
2035	142,986	2,278,566	1593.6%
2036	116,493	2,124,069	1823.3%
2037	94,178	1,971,797	2093.7%
2038	75,539	1,813,191	2400.3%
2039	60,106	1,656,104	2755.3%
2040	47,440	1,495,250	3151.8%
2041	37,140	1,337,916	3602.4%
2042	28,843	1,191,325	4130.4%
2043	22,224	1,048,184	4716.5%
2044	16,994	913,620	5376.2%
2045	12,902	784,708	6082.2%
2046	9,730	664,745	6831.6%
2047	7,296	555,313	7610.8%
2048	5,445	457,461	8401.8%
2049	4,047	371,952	9189.9%
2050	3,000	297,670	9923.5%
2051	2,218	234,278	10562.3%
2052	1,637	180,860	11047.6%
PV of Future @ 4.35%	8,143,583	44,535,567	546.9%
Total	167,691,621	158,355,245	94.4%

Exhibit 4 - 2019
United Security Assurance Company of PA
Business Assumed National States
Current Expectations with a one-time 109.645% Rate Increase
Nationwide PAL1, QLT1, WAL1, QLW1 (December 31, 2019)

Virginia Premium Basis			
<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1997	-	-	0.0%
1998	154,014	-	0.0%
1999	102,507	4,674	4.6%
2000	2,599,547	130,246	5.0%
2001	3,584,882	639,514	17.8%
2002	4,588,591	1,086,677	23.7%
2003	5,189,568	1,825,310	35.2%
2004	5,957,734	2,354,720	39.5%
2005	6,619,449	3,047,384	46.0%
2006	7,328,653	3,413,658	46.6%
2007	7,828,366	4,064,396	51.9%
2008	7,830,214	4,957,913	63.3%
2009	7,972,665	4,748,634	59.6%
2010	7,606,466	3,796,118	49.9%
2011	6,268,524	5,457,584	87.1%
2012	6,174,965	7,793,964	126.2%
2013	4,942,811	4,486,575	90.8%
2014	4,122,229	6,432,691	156.0%
2015	3,342,053	6,944,830	207.8%
2016	2,656,665	6,233,876	234.7%
2017	2,114,882	4,761,120	225.1%
2018	1,650,274	3,215,130	194.8%
2019	1,407,318	4,650,201	330.4%
Cumulative @ 4.35%	163,324,798	113,819,678	69.7%
2020	1,909,240	4,206,933	220.3%
2021	2,660,607	3,896,929	146.5%
2022	2,363,515	3,790,628	160.4%
2023	2,101,150	3,679,626	175.1%
2024	1,837,636	3,587,127	195.2%
2025	1,600,942	3,491,502	218.1%
2026	1,389,038	3,405,254	245.2%
2027	1,199,953	3,311,659	276.0%
2028	1,031,803	3,200,793	310.2%
2029	882,806	3,089,831	350.0%
2030	751,310	2,970,165	395.3%
2031	635,780	2,853,025	448.7%
2032	534,791	2,729,077	510.3%
2033	447,002	2,585,622	578.4%
2034	371,142	2,436,872	656.6%
2035	306,008	2,278,566	744.6%
2036	250,474	2,124,069	848.0%
2037	203,483	1,971,797	969.0%
2038	164,041	1,813,191	1105.3%
2039	131,205	1,656,104	1262.2%
2040	104,100	1,495,250	1436.4%
2041	81,925	1,337,916	1633.1%
2042	63,953	1,191,325	1862.8%
2043	49,528	1,048,184	2116.3%
2044	38,061	913,620	2400.4%
2045	29,035	784,708	2702.7%
2046	22,000	664,745	3021.5%
2047	16,572	555,313	3351.0%
2048	12,421	457,461	3682.9%
2049	9,273	371,952	4011.0%
2050	6,902	297,670	4312.6%
2051	5,126	234,278	4570.3%
2052	3,800	180,860	4759.3%
PV of Future @ 4.35%	16,277,882	44,535,567	273.6%
Total	179,602,680	158,355,245	88.2%

United Security Assurance Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,
Souderton, Pennsylvania 18964
(800) 872-3044

May 5, 2020

Mr. Greg Smith
Principal Insurance Examiner
Virginia Bureau of Insurance
804-371-9348

Re: United Security Assurance Company of PA
Rate Increase Filing for PAL1 et al.
Your Objections Dated 2/10/2020 and 4/06/2020
SERFF Tracking Number: USPA-132069185

Dear Mr. Smith:

Listed below are the responses to the items listed in your letter regarding the above referenced filing. Each of the objections is listed in italics with the response immediately following.

Objection 1

Applies To:

*L&H Actuarial Memorandum (Supporting Document)
Rates and Exhibits (Rate)*

Comments:

Please provide all projections necessary to evaluate the requests based on both the "Prospective Present Value Approach" (or Texas Method) and the "If-Knew/Makeup Blend" approach (or Minnesota Method).

Comments:

Please see attachment in Note to Filer for the description of rating methods requested.

Please refer to the 2 Excel files included with this response.

The 'Texas Method' seems to be the least favorable of these 2 methods. The national data seems to indicate no rate increase is allowed, but when the premiums are adjusted to the Virginia state level (i.e., national average rate increases removed and the sole 15% VA rate increase included), it appears to indicate that a 17.5% rate increase is allowed.

The 'Minnesota Method' is much more generous, with the "If-Knew" approach with the national data indicating an increase of 57.4% is needed and removing the previous 15% approved increase of 2012 leaves a 36.9% increase still needed. Looking at the same result using the VA rate basis indicates an increase of 59.5% is needed and removing the previous 15% leaves a 38.7% still needed. The "Makeup" method, of course, shows large increases needed of 293.8% on the national basis and 1,135.3% on a VA rate basis. For the 'Blend' calculation, I've used the policy count as of year-end 2010 as that seems to be the best/most complete policy count available. The 'Blend' indicates an allowable rate increase of 112.4% using national data and 309.8% using the VA rate basis.

February 18, 2020

Page 2

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Gary R. Hulet". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

Gary R. Hulet, ASA, MAAA
Staff Actuary
United Security Assurance Company of PA
20 Bayberry Drive
Leesburg, FL 34788
407-474-1727

cc: Bill Neugroschel
Duff Winkenwerder
Martha Stephens

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Company Name and NAIC Number:

United Security Assurance Company of Pennsylvania NAIC 42129

SERFF Tracking Number:

USPA-132069185

Revised Rates

Average Annual Premium Per Member:

\$2,115

Average Requested Percentage Rate Change Per Member:

17.5%

Range of Requested Rate Changes:

17.5%

Number of Virginia Policyholders Affected:

7

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
PAL-1(02)R	Long Term Care base policy	1998-2009	2013 - 15%	Future rate increases are likely
R-DVH-2	Dental, Vision, Hearing rider	1998-2009	2013 - 15%	Future rate increases are likely
R-DVH-3	Dental, Vision, Hearing rider	1998-2009	2013 - 15%	Future rate increases are likely
R-LIR-4	Inflation rider	1998-2009	2013 - 15%	Future rate increases are likely
R-NF	Non-Forfeiture rider	1998-2009	2013 - 15%	Future rate increases are likely
R-HCS	Home Health Care rider	1998-2009	2013 - 15%	Future rate increases are likely

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

(Rev. 06/19)

These policy forms were issued by National States Insurance Company (liquidated in MO in 2010) from 1999 to 2009. They were assumed by United Security Assurance Company (the Company) in 2009 and 2010. During the 8 years since the acquisition of this business, actual-to-expected claims experience has averaged about 111%. This adverse morbidity experience is consistent with the Society of Actuaries LTC studies of 2001, 2004, and 2007 which demonstrate significant shifts (up to a multiple of 4) in the incidence rates for persons over age 75 relative to earlier studies (1999 and prior). The original pricing anticipated lifetime loss ratio for this business (provided by NSIC) was 57.3%. The current anticipated lifetime loss ratio without this rate increase is projected to be 79.0%. As a compromise between the needs of the Company and the financial duress created on policyholders by rate increases, the Company is requesting a rate increase of 17.5% at this time as indicated by the Texas Method (rather than the 198.5% allowed under Rate Stabilization requirements) to mediate losses caused by the current and future adverse claims experience.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

<u>Product</u>	<u>Policy Forms</u>	<u>Rider Forms</u>
PAL1, et al Long Term Care	PAL1, PAL1(02)R	R-DVH-2, R-DVH-3, R-LIR-4 R-NF, R-HCS

These policy forms were issued by National States Insurance Company (NSIC) from 1997 through 2009. The business was subsequently assumed by United Security Assurance Company of PA (“United Security”) as of September 30, 2009. These policies are no longer being marketed in any jurisdiction. The business was assumed in two portions: a) 2008 and prior issue assumption occurred on July 1, 2009, and b) 2009 issues which occurred on January 1, 2010.

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the requested rate increase of this product meets the minimum requirements and demonstrates compliance with your jurisdiction. This filing may not be suitable for other purposes.

The rate increase being requested will not apply to those policies whose premiums are being waived at the time the rate increase becomes effective but will apply if/when such policies return to a premium-paying status.

As part of the Company’s normal rate increase notification process, the Company will communicate clearly, at the time of notification, that the insured has the opportunity to discuss policy modifications designed to either moderate or fully offset the rate increase. Modifications can include adjustments to the maximum daily benefit and/or other components of the policy. The Company will also provide the standard contingent non-forfeiture benefit to all policyholders who qualify for that option.

2. Description of Benefits

These are lifetime premium, individually underwritten policy forms that provide facility care and, by rider, home health care (exceptions include OR and MI where these forms are sold as comprehensive policies, and WI whose forms are also comprehensive but are identified as WAL1).

Unlike the comprehensive policies sold in OR, MI, and WI, where the home health care benefit is part of the policy’s maximum lifetime benefit, the home health care rider stands separate from the policy in terms of its daily benefit and benefit period. In addition, there is no elimination period associated with the home health care rider nor is it subject to any inflation benefit rider that may have been purchased with the policy.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

Each form has benefit eligibility requirements which involve activities of daily living (ADL) deficiencies or cognitive impairment. Waiver of premium is provided after satisfaction of the policy's elimination period. Benefits are restored if 180 days of separation occurs. A contingent benefit upon lapse will be available to all insureds.

Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) summarize the demographics and benefit characteristics applicable to policies in force as of June 30, 2020.

3. Renewability

These policies are guaranteed renewable for life.

4. Applicability

As these policy forms are no longer being sold, this filing is applicable to inforce policies only. The premium changes will apply to the base forms as well as all applicable options and riders.

5. Actuarial Assumptions

- a. Expected Claim Costs are the original pricing claim costs (also the basis for reserves), which include durational adjustment factors like selection. Further actual-to-expected adjustment factors have been applied based on historical experience of this block. The following table presents the historical product experience since acquisition, split by morbidity study year, where the study is conducted every September. The current model assumption is that future incurred claims will trend in accordance with the expected claim costs.

With 2014 through 2017 incurred loss ratios well above 100%, the 2018 incurred loss ratio of 84.5% appears to be an anomaly, since the 2019 loss ratio was the highest ever at 143.3%. With the implementation of prior accepted rate increases (although the last round is not yet fully implemented as of year-end 2019), the anticipated lifetime loss ratio has increased from 74.2% last year to 78.8% this year.

The following summarizes the range of actual-to-expected results the Company has realized since its acquisition of this block. The results shown are for years ending September 30 to coincide with the annual cash flow testing analysis and assumption setting. The calculation of the Expected Loss Ratios is done by multiplying the pricing product durational loss ratio (from Exhibit 2) by the initial (originally priced) in-force annual premium for each premium-paying policy and dividing by the total in-force original premium.

Morbidity Study Year	Actual Loss Ratio	Expected Loss Ratio	Actual / Expected
2010	50%	59%	99%
2011	80%	60%	132%
2012*	100%	69%	145%

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

2013	75%	79%	96%
2014	114%	86%	133%
2015	133%	95%	140%
2016	130%	105%	124%
2017	112%	116%	97%
2018	85%	126%	67%
2019	143%	139%	103%
10 Yr Total	100%	83%	121%

* Does not include the 2012 reserve strengthening

As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the average attained ages (weighted by annual premium) are 80.9 and 87.3, respectively, while for those currently in claim, the average ages at date of incurral are 86.2 and 85.5, respectively.

- b. Voluntary Termination Rates are also those which underlie the reserves: 4% for policies issued prior to 2007 and 2% for policies issued in 2007 and later. Based on a weighting of the current inforce, this translates into an effective annual voluntary lapse rate of 3.5%.
- c. Mortality is assumed to follow the gender specific 1994 Group Annuitant Mortality (GAM) Table which is also the basis for reserves.

The following table compares the actual total termination rate with the total termination rate implied by the combination of the mortality rates and voluntary termination rates noted above. The results shown are for years ending September 30 to coincide with the annual cash flow testing analysis and assumption setting.

Termination Study Year	Actual Total Term Rate	Expected Total Term Rate	Actual Less Expected
2011	12.0%	9.2%	2.8%
2012	5.9%	9.5%	-3.7%
2013	10.2%	9.6%	0.7%
2014	13.3%	9.8%	3.4%
2015	11.9%	10.0%	1.9%
2016	14.8%	10.3%	4.5%
2017	16.4%	10.4%	6.0%
2018	15.3%	10.4%	4.9%
2019	16.7%	10.8%	5.9%
9 Yr Average	13.5%	9.8%	3.7%

- d. Adverse Selection. We have not modeled any shock lapse or adverse selection associated with this rate increase. We have tested a moderate level of morbidity based anti-selection in Exhibit 5 (nationwide experience) to reflect the possibility for increased claims activity by remaining policyholders.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

- e. Expenses. Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

These assumptions are based on the nationwide experience of the particular policy forms in this filing. The assumptions used in this filing are considered best-estimate. As stated earlier, actual morbidity levels are in excess of expected levels, in large part due to the higher than expected claims experience for older ages. These factors are the primary drivers for this request.

In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-referenced policy forms were taken into consideration.

6. Marketing Method

These policy forms were marketed by agents and brokers of National States. These forms are no longer marketed or sold.

7. Underwriting Description

These policies were underwritten by National States using protocols and methods applicable at the time of policy application. Based on those protocols and methods, policies were either declined, issued standard (Class AA = rating of 100%) or issued substandard (Class A = rating of 150%). As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the percentages of policies in force and underwritten as substandard (weighted by annual premium) are 36.6% and 31.5%, respectively.

8. Premiums

Premiums are unisex and payable for life. The premiums may vary by issue age, benefit period, initial daily benefit, elimination period, inflation option, premium payment option, risk class, and the selection of any riders.

9. Issue Age Range

Issue ages are from 40 to 89. As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the average issue ages (weighted by annual premium) are 66.1 and 71.2, respectively.

10. Area Factors

Area factors are not used for this product.

11. Premium Modalization Rules

The following modal factors are applied to the annual premium (AP): annual 100%, semi-annual 52%, quarterly 26.5% and monthly 8.4%.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

12. Reserves

Active life reserves have not been used in this analysis. A by-state average of claim reserves, between each year-end of 2013 through 2018, has been incorporated in the projected future claims. Claim reserves as of year-end 2009 and later have been incorporated in the historical incurred claims where the definition of an incurred claim in a given year is equal to the paid claims plus the change in claim reserves. Claim reserves prior to 2009 were not available because it was prior to USA's acquisition of the business. This missing data would only inflate the incurred claims and justify additional rate increases. In the above, claim reserves include incurred but not reported (IBNR) reserves.

13. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

14. Past and Future Experience

The split of incurred claims into paid claims and claim reserves was not available prior to acquisition so the exhibit(s) set the two equal. The sudden increase in 2012 incurred claims is largely attributable to claim reserve strengthening that occurred in 2012. Removing this would bring the nationwide loss ratio more in line with the 2011 loss ratio. For calendar years 2010 and later, actual historical incurred claims are determined as claims paid in the calendar year plus the change in claim reserves. Anticipated experience for 2020 is based on actual collected premium and paid claims through December, 2019 and open claim reserves as of December 31, 2019.

As mentioned in Section 5a, projected experience for 2020 and after is based on 2010 through 2019 experience and the trend in expected earned premiums and anticipated incurred claims based on a policy-level projection using actual policies in force as of December 31, 2019 and assumptions noted in Section 5.

For purposes of accumulating experience for an anticipated or lifetime loss ratio calculation, the calendar year totals are assumed to represent a mid-year value. The loss ratios shown in the exhibits are computed using a 4.35% interest rate (approximating the weighted average rate used for statutory reserves).

Rate Stabilization model requirements allow for a much smaller rate increase than the Loss Ratio requirements. Although 1 of the 6 premium paying policies in force in Virginia (16.7%) was issued before Oct. 1, 2003, this filing was constructed as if all policies were under the more conservative Rate Stabilization requirements.

Exhibit 4 shows the projection of future experience with the one-time rate increase of 17.5%. The new proposed rates are shown in Exhibit 6.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

15. History of Previous Rate Revisions

Round 1: National States received no rate increase in Virginia in 2009. Some other states received an 18% rate increase on the PAL1 series (almost no rate increases were taken on the QLT1 series). The requests were implemented during late 2009 and early 2010. While the aggregate impact of this rate increase is reflected in the national historical experience, I was unable to adequately reflect it in the state specific Exhibit 3A. As such, Exhibit 3A allocates the historical data as though every state had accepted the approximately 9.5% nationwide average.

Round 2: USA received approximately 26.9% rate increases nationwide on the PAL1 and QLT1 series in 2011 and 2012, of which 15% was accepted in Virginia. Historical experience has been split to reflect this in the attached.

Round 3: In 2013 and early 2014, USA received approximately 13.3% rate increases nationwide on the PAL1 and QLT1 series, of which none was requested in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted, except Indiana, which limited the rate increase to the QLT1 form. Rate increases were accepted on 81.6% of all in force policies as of 6/30/2013, ranging from a low of 5% in 1 state, to a high of 25% in 1 state, with 6 states accepting 20%.

Round 4: In late 2014 and early 2015, USA received an average nationwide rate increase of 14% on the PAL1 and QLT1 series, of which 20% was requested in Virginia, but the request was denied. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 80.1% of all in force policies as of 6/30/2014, ranging from a low of 3% in one state, to a high of 20% in 7 states.

Round 5: In late 2015 and early 2016, USA received an average nationwide rate increase of 15.4% on the PAL1 and QLT1 series, of which no request was filed in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 88.1% of all in force policies as of 6/30/2015, ranging from a low of 10% in 4 states, to a high of 20% in 6 states.

Round 6: In late 2016 and early 2017, USA received an average nationwide rate increase of 11.5% on the PAL1 and QLT1 series, of which no request was filed in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 67.7% of all in force policies as of 6/30/2016, ranging from a low of 10% in 3 states to a high of 20% in 5 states.

Round 7: During 2018, USA received an average nationwide rate increase of 14.8% on the PAL1 and QLT1 series, but no request was made in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 70.5% of all in force policies as of 6/30/2017, ranging from a series of 3 annual increases of 40.4% each in 1 state, to a low of 10% in 2 states.

Round 8: In 2019, USA was attempting to end the cycle of annual rate increase requests, by requesting a series of 3 annual increases of 32.8% each, with the certification that if the requested

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

series is granted there will be no more rate increase requests for this block of policies (unless experience deteriorates significantly and unexpectedly). Michigan and Wisconsin accepted the requests for the series of 3 annual increases of 32.8% each (or the 1-time equivalent of 109.65%), Iowa and Tennessee each accepted a series of 2 annual increases, and Nebraska and Illinois accepted multi-year rate increases in Round 7. Other states accepted a variety of 1-time rate increases. This VA rate increase request is still pending after 14 months.

Round 9: Six rate increase requests have been submitted as part of Round 9. Three have been approved and 3 are still pending.

16. Analysis Performed to Consider a Rate Increase

The analysis performed in support of this filing includes morbidity and termination studies noted in Section 5 as well as emerging differences in the emerging aggregate durational-weighted loss ratios relative to that assumed in the original pricing. The durational pricing loss ratios are shown in Exhibit 2 and, although not explicitly available, the following is a description of the original pricing assumptions for claim costs, voluntary termination rates, mortality, and interest:

- a. Original Pricing Expected Claim Costs. Original pricing expected nursing home and home health care incidence rates and continuance tables were taken from early SOA and NCHS studies. All values were adjusted to reflect elimination periods, policy maximums, and eligibility standards. In addition, my understanding is that adjustments were made by duration to reflect expected underwriting.
- b. Original Pricing Expected Voluntary Termination Rates. Original pricing expected lapse rates varied by duration with the ultimate lapse rate assumed to be 4%.
- c. Original Pricing Expected Mortality. 1983 Group Annuitant Mortality (GAM) Table
- d. Original Pricing Expected Investment Earnings. 6%

As noted above, the historical experience prior to acquisition (2010) was available only in aggregate without distinction between collected and earned premiums, or paid and incurred claims. Post-acquisition data (2010-2019) is based on policy level data (collected premium, paid claims, claim reserves). Amounts for 2020 and after are based on actual experience through the end of 2019, using a seriatim projection of policies in force as of 12/31/2019 and the assumptions outlined in Section 5.

17. Requested Rate Increase and Demonstration of Satisfaction of Rate Stabilization Model Requirements

Although a much larger rate increase is justified at this time (about 333.7% under the Loss Ratio regulation, and under the Rate Stabilization model regulation, about 198.5%), the Company is accepting a rate increase offer of 17.5% on all premium paying policies in force in Virginia, with the understanding that experience will continue to be monitored and additional increase requests

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

may be forthcoming in the future. This premium rate increase being accepted is supportable under both the Loss Ratio regulation and the Rate Stabilization model regulation.

To mitigate the impact of this rate increase on policyholders, we will offer policy modifications to partially or completely offset the rate increase. We are in agreement that annual rate increases are unpleasant and unfortunate. To have to persist in the filing and implementation of them is a burden on both the company and the policyholder. We did not price and market these forms but are simply attempting to mitigate the adverse consequences of this aging assumed block and bring premium levels into appropriate balance with the benefits being offered. Our preference would certainly be to implement a known (and more substantial, in aggregate) rate increase over a period of years (such as this requested amount) than to do so in smaller amounts and more frequent occurrences.

Exhibit 3 shows the anticipated lifetime loss ratio under current expectations exclusive of the requested rate increase (Exhibit 3A is historical Virginia only experience). Exhibit 4 shows the anticipated lifetime loss ratio using a one-time rate increase of 17.5%. As shown in Exhibits 3 and 4, the anticipated lifetime loss ratio with and without the requested rate increase exceeds the minimum loss ratio requirement of 60%. Exhibit 7 shows the same projection (as Exhibit 4) with 10% worse morbidity levels which are consistent with the levels experienced in 2012, and in 2014 through 2017, and 2019. Corresponding rates, reflecting the above increase, are shown in Exhibit 6.

18. Number of Insureds and Annualized Premium

Based on December 31, 2019 in-force premium paying policies, the number of insureds and annualized premium that will be affected by this increase in this jurisdiction and nationwide are shown in the table below. Further nationwide splits by key benefit characteristics are shown in Exhibit 1.

	Number of Policies	Annualized Premium Before Incrs	Average Annualized Premium Before Incrs	Proposed Increases	Proposed Annualized Premium After Incrs	Average Annualized Premium After Incrs
Nationwide	752	2,619,784	3,484	17.5%	3,078,246	4,093
Virginia	6	12,162	2,027	17.5%	14,290	2,382

19. Proposed Effective Date

This rate increase will apply to policies beginning on their next premium payment date following a 60-day policyholder notification period following approval.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

20. Actuarial Certification

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings and to render the actuarial opinion contained herein. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8 and 18.

As the Company is not requesting the maximum permissible rate increase of 198.5%, I am not providing a VAC 5-200-153 Subdivision B. 2. certification at this time. The Company will continue to monitor experience and further modest rate action will be taken in the future if experience continues to justify as much.

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of Virginia and the rules of the Department of Insurance. In my opinion the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy.



Gary R. Hulet, ASA, MAAA

Staff Actuary

United Security Assurance Company of Pennsylvania

Date: November 4, 2020

United Security Assurance Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,
Souderton, Pennsylvania 18964
(800) 872-3044

March 23, 2021

Ms. Colleen Moore
Insurance Market Examiner
Bureau of Insurance
Tyler Building, 6th floor
1300 E. Main St.
Richmond, Virginia 23219

Re: United Security Assurance Company of PA
Rate Increase Filing for PAL-1 et al.
Objection Dated 03/12/2021
SERFF Tracking Number: USPA-132069185

Dear Ms. Moore:

Listed below are the responses to the items listed in your letter regarding the above referenced filing. Each of the objections is listed in italics with the response immediately following.

Objection 1

Applies To:
L&H Actuarial Memorandum (Supporting Document)
Long Term Care Insurance Rate Request Summary (Supporting Document)
Rates and Exhibits (Rate)

Comments:

There are inconsistencies in the form numbers included in this filing: PAL-1(02)R vs PAL1(02)R and PAL-1 vs PAL1. Please resolve this discrepancy and update the form numbers to reflect the approved form numbers.

I have attempted to change all of the PAL1, PAL1(02)R form numbers to read PAL-1, PAL-1(02)R for consistency. However, upon reviewing the SERFF pipeline for the approved filing USPA-127658444, I note that there are multiple instances of both form numbers (with and without the "-"), so it is difficult to tell which is the "approved form numbers".

Objection 2

Applies To:
Rates and Exhibits (Rate)

Comments:

Line Item 1

- 1) Please list all form numbers under Affected Form Numbers.*
- 2) Please update the Previous Filing # to reflect the previously approved filing (USPA-127658444).*
- 3) Please confirm if there should be a separate rate sheet for Form PAL-1. The rate sheet only lists PAL-1(02)R.*
- 4) Form R-NF - As the non-forfeiture rates are a % of the base and other rider rates, is it the Company's intention that the %'s remain unchanged, with the % applying to the higher underlying rates?*
- 5) Please confirm the rates currently billed for the Non-forfeiture rider. The rate sheet included on page 10 of Exhibit 6A shows percentages which are lower than the percentages approved in USPA-127658444.*

6) The rate sheet included on page 10 lists R-NF and R-QNF rates. Please explain. R-QNF is not listed as a form number in this filing.

- 1) All form numbers have been listed under Affected Form Numbers.
- 2) The previous filing number has been changed from the most recent denied rate increase filing of 2015 to the prior approved rate increase filing of 2013.
- 3) The rates are the same for form PAL-1 and PAL-1(02)R. The labeling of the rate sheets has been corrected to reflect such.
- 4) Yes, the R-NF %s will remain unchanged, as a % applied to increased rates automatically increases the amount charged.
- 5) The Non-forfeiture rider rates have been corrected to match those approved in USPA-127658444.
- 6) The R-NF and R-QNF header is a standard header used in NSI rate filings because most rate filings are combined filings of the qualified and non-qualified policy forms (Q being the qualified form). As VA has no qualified form, this header should have been adjusted. It now has been corrected.

Objection 3

Applies To:

PAL Policy Form Series Rates (Rate)

LIR Rider Rates (Rate)

HCS Rider Rates (Rate)

NF Rider Rates (Rate)

DVH Rider Rates (Rate)

Comments:

It appears the rate sheet attached to Line Item 1 is intended to replace lines 2 -6. If so, please remove the rate sheets attached to lines 2 - 6.

I have attempted to remove the rate sheets from lines 2 – 6 but the prior versions still remain.

Objection 4

Applies To:

L&H Actuarial Memorandum (Supporting Document)

VA Objection Response 10-29-2020 (Supporting Document)

Comments:

Please update the version of the Actuarial Memorandum attached under the L&H Actuarial Memorandum heading to be the revised version reflecting the 17.5% increase (currently attached under the VA Objection Response 10-29-2020.)

This was updated.

Objection 5

Applies To:

Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments:

- 1) Please update the Rate Request Summary to include all applicable form numbers.
- 2) Please attach the updated version under the heading Long Term Care Rate Request Summary and remove the previous version.
- 3) The narrative attached to the Rate Request Summary is intended to be high level and in very consumer friendly language. It currently contains references and terminology which may not be clear to individuals with little to no insurance experience. Please revise the narrative to be in consumer friendly language.

- 1) OK
- 2) Done

February 18, 2020

Page 3

3) According to readabilityformulas.com, the new narrative submitted under Supporting Documents has a Flesch-Kincaid score of 7.9 (Eighth Grade), and a Linsear Write Formula of 8.1 (Eighth Grade), resulting in an overall Readability Consensus of 8 (Standard/Average) for ages 12-14 (7th & 8th graders).

Hopefully this addresses your concerns on this filing. If you have additional questions, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Gary R. Hulet". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Gary R. Hulet, ASA, MAAA
Staff Actuary
United Security Assurance Company of PA
604 Harbor Circle
Azle, TX 76020
407-474-1727

cc: Bill Neugroschel
Cam Waite
Duff Winkenwerder
Martha Stephens

United Security Assurance Company of Pennsylvania
[673 East Cherry Lane, P.O. Box 64477
Souderton, Pennsylvania 18964]

Administered By:
Coventry CareLink Insurance Services, LLC
[1302 Concourse Drive, Suite 303 Linthicum, Maryland 21090
(410) 850-9060 TEL
(410) 850-9070 FAX]

[mm/dd/yyyy]

Notice of Rate Increase and Your Options

Policy Number: [xxxxxxxxxxxx]

Decision Due Date: [MM/DD/YYYY]

[PH NAME]

[PH ADDRESS]

[PH CITY, STATE, ZIPCODE]

Dear [POLICYHOLDER]:

[I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of [xxx]%. The [xxx]% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increase is as follows:]

[I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of [xxx]% each year for the next two years. After the two increases, the total amount of the premium rate increase is [xxx]%. The [xxx]% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increases are as follows:]

[I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of [xxx]% each year for the next three years. After the three increases, the total amount of the premium rate increase is [xxx]%. The [xxx]% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increases are as follows:]

Billing Anniversary Date

[mm/dd/yyyy]

[mm/dd/yyyy]

[mm/dd/yyyy]

Prior [Modal] Premium

[\$xxxx.xx]

[\$xxxx.xx]

[\$xxxx.xx]

New [Modal] Premium

[\$xxxx.xx]

[\$xxxx.xx]

[\$xxxx.xx]

[I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). As you may recall, we previously wrote to inform you of a premium rate increase on your

USA Long Term Care Policy that would be implemented in multiple stages. Currently, we are writing to inform you of the subsequent premium rate increase.]

[The second premium increase for your policy is [xxx]%. Your [Modal] premium payment of [\$xxxx.xx] will change to [\$xxxx.xx]. This increase will take effect on [MM/DD/YYYY].

[The second premium increase for your policy is [xxx]%. Your [Modal] premium payment of [\$xxxx.xx] will change to [\$xxxx.xx]. This increase will take effect on [MM/DD/YYYY]. A subsequent increase for your policy will be [xxx%]. This will take effect no earlier than one year from the current rate increase effective date. You will receive notice prior to the third rate increase.]

[The third premium increase for your policy is [xxx]%. Your [Modal] premium payment of [\$xxxx.xx] will change to [\$xxxx.xx]. This increase will take effect on [MM/DD/YYYY].]

The rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at [\[https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx\]](https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx).

As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll-free number is: [1-877-782-4663 ext. xxx] and we are available Monday through Friday between [8:30 a.m. and 4:30 pm EST].

This premium rate increase is being implemented on all policies issued in Virginia on your Policy Form, and not on you as an individual. This rate increase is related to past and expected future claims and is not based on current economic conditions. [Based on current expectations, we believe that this [series of increases] [increase] will be sufficient to bring premiums into greater balance with claims. However, if future claims are worse than currently expected, we cannot guarantee there will not be additional rate changes sometime in the future.] [We anticipate that additional premium increase(s) will be necessary in the future, but we do not presently know the date or amount of any future increase.] Any future rate increases will not be implemented until the request has been filed with Virginia's State Corporation Commission and determined to be compliant with applicable Virginia laws and regulations addressing long-term care insurance.

Why is this increase necessary?

[Premium increases are necessary when benefits paid, past and future, exceed what was expected when the policy was initially priced. We evaluated assumptions such as the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will voluntarily cancel their coverage, and prevailing interest rates. The results are much higher than these original projections. The reasons for this are due to individuals living longer and keeping their policies longer. This has resulted in more claims. For these reasons, premiums must be increased.] While the rates need to be increased, we want to explain the specific change to your premium and tell you how you can continue to have access to your long term care insurance coverage even if you can't afford the rate increase. So, here is what you need to know:

- If you have other policies with United Security Assurance, they will not be affected by this premium increase. This increase applies only to the Policy number shown at the top of this letter.
- You have the right to a revised premium rate or rate schedule if your premium rate or rate schedule is changed.
- **If you currently pay your premium by an automatic bank plan or credit card, your new premium amount will be automatically drafted from your account when it is due, unless you notify us prior to the Decision Due Date at the top of this letter. If you do not contact us by that date, you can still make changes to be effective at the next premium due date.**
- If you are currently receiving benefits and on waiver of premium status, any Policy changes requested will be processed once the Policy is removed from waiver and you are no longer on claim. Your premiums will not increase until you are required to begin paying premiums again. You do not have to make a decision by the Decision Due Date and can decide at the time you are coming off claim.

Ways to Reduce the Cost

If you would like to keep your current benefits, you must pay the increased premium amount. [If you choose not to pay the increased premium, you will receive a Contingent Benefit Upon Lapse ("CB"). Under CB you will pay no more premiums and will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have already paid, or 30 times the daily nursing home benefit at the time of lapse. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in a premium paying status. **In many cases, the decision to elect the CB option may result in a significant reduction in benefits.]**

If you feel you may have difficulty affording the new premium amount, there are other ways to avoid paying the rate increase [besides accepting the CB benefit described in the above paragraph].

Options available to you may be to:

1. Reduce the Daily Benefit amount, and/or
2. Reduce the Benefit Period of your Policy, and/or
3. Increase the Elimination Period, and/or
4. Remove or adjust optional Riders, if applicable.

You should be aware that all options available to you may not be of equal value. Please call us if you want to know the options available for your Policy.

For future rate increases, similar options may be available; however, you can contact us at any time to discuss decreasing your coverage and premiums, per the provisions of your Policy.

How to get Help

You may wish to consult with family members and advisors about this rate increase and the options you have to minimize the effect of the increase.

You can also contact the Virginia Insurance Counseling and Assistance Program (VICAP) at Toll-Free:[1-800-552-3402 (Nationwide Voice/TTY); or (804) 662-9333, or visit their Web site: www.vda.virginia.gov/vicap.htm.] VICAP is a free, unbiased, confidential counseling program that offers health insurance information, education, and assistance to seniors and adults with disabilities (and their families) in understanding Medicare and making decisions about long term care insurance. The Virginia Department for Aging and Rehabilitative Services and the Bureau of Insurance has worked closely together to develop this insurance counseling program in Virginia.

We encourage you to call our customer service department if you have any questions regarding this rate increase or would like to discuss all of your options. As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll free number is: [1-877-782-4663, ext xxx] and we are available between [8:30 a.m. and 4:30 pm EST].

We appreciate and thank you for the opportunity to service your long term care insurance.

Sincerely,

[Elaine Griffin]
[Director of Operations]

United Security Assurance

Company of Pennsylvania
[673 East Cherry Lane, P.O. Box 64477
Souderton, Pennsylvania 18964]

Administered By



[DATE]

[PH NAME]
[PH ADDRESS]
[PH CITY, STATE, ZIPCODE]

Policy Number: [xxxxxxxxxxxx]

Dear [Ms./Mrs./Mr. PH LASTNAME],

You have contacted our Customer Service Department in response to the letter regarding the rate increase for your United Security Assurance Company of Pennsylvania long term care policy.

[Per your request, attached please find options available to reduce your premium. As noted on the attachment, if you decide to make one of these changes, please check the appropriate selection, sign, date and return to our office in the enclosed envelope. The option selected will become effective on the date noted on the attached illustration.]

[Because your Policy benefits are already at the lowest level, we are unable to offer you the option of reducing your coverage in order to offset the amount of your premium increase.]

[If you [do not choose one of the options and] do not pay the premium with the rate increase, your policy will lapse.]

[If you [do not choose one of the options and] do not pay the premium with the rate increase, you will receive the Contingent Benefit Upon Lapse ("CB") described in the rate increase letter [and shown in the options attachment]. Under CB you will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have paid or 30 times the daily nursing home benefit at the time of lapse. Under CB your current Maximum Daily Benefit and Elimination Period will remain the same and you will pay no more premium. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in

a premium paying status. All benefits paid while the policy is in a premium paying status and in the paid-up status will not exceed the maximum benefits which would be payable if the policy had remained in premium paying status.]

[Any changes to your Policy will be confirmed with a Policy Change Endorsement which we will send to you.]

If you have any questions or concerns, please contact our Customer Service Department at [1-877-782-4663].

Sincerely,

Customer Service Department
Coventry CareLink Insurance Services, LLC

[Enclosures:
Options attachment
Return Envelope]

Statement of Variable Language for
Form VA-RI Policyholder Notification Letter
Form TRI-CL2020 Options Cover Letter

General References

The enclosed form contains variable and illustrative material set forth in brackets. Illustrative material consists of any entries such as names, dates, amounts, percentages, etc.

Please note:

The bracketed references and surrounding text may be appropriately modified to reflect proper grammatical form.

The bracketed references that include “X’s” represent current premium or percentage of rate increase.

The remaining bracketed items are intended to vary as follows:

Form VA-RI Policyholder Notification Letter

Bracketing has been added to the company address should an address change be made in the future.

The address and phone number for the Administrator, Coventry CareLink Insurance Services, LLC, have been bracketed in case of future change.

The tollfree number and hours of operation of Coventry CareLink appear throughout the letter as variable fields to allow for any future updates or changes.

[mm/dd/yyyy] on first and subsequent page headers denotes the current Date of the correspondence.

Policy Number **[xxxxxxxxxxx]**— this bracketed field will be the insured’s policy number.

Decision Due Date: **[MM/DD/YYYY]** The bracketed date will be 15 days before the Billing Anniversary Date when the rate increase will be effective.

[PH NAME]— this bracketed field will reflect the insured’s full name

[PH ADDRESS] this will be the insured’s street address and/or PO box in either 1 or 2 lines

[PH CITY, STATE, ZIPCODE] the insured's city, state and zip code

[POLICYHOLDER] The name of the policyholder.

Initial Notice of Increase.

Only one of the first three paragraphs will appear in a letter, depending on whether the State approves a single increase, a two series increase, or a three series increase. Within these paragraphs, the **[xxx]**% is the percentage of the rate increase.

Depending on the increase approved, the table will have 2, 3, or 4 rows. Within this table, **[Modal]** will be the premium payment mode, Monthly, Quarterly, Semi-Annual, Annual. **[mm/dd/yyyy]** refers to the premium due date when the increase is effective. **[xxxx.xx]** refers to the premium both before and with the increase.

SUBSEQUENT INCREASES: If the Department approves a rate increase that is implemented over multiple years, the bracketed paragraph will appear in a second and third increase letter if applicable.

One of the next three paragraphs will appear as applicable to the subsequent increase. The bracketed variables within these paragraphs are as described in the initial notice of increase above.

The Virginia Bureau of Insurance's webpage has been bracketed in case of future change.

The phone number and hours of operation for Coventry CareLink have been bracketed in case of future change.

Only One of the following bracketed sections will appear in this area. **IF ADDITIONAL INCREASE IS POSSIBLE:** [Based on current expectations, we believe that this [increase] [series of increases] will be sufficient to bring premiums into greater balance with claims. However, if future claims are worse than currently expected, we cannot guarantee there will not be additional rate changes sometime in the future.] **IF ADDITIONAL INCREASE IS PROBABLE:** [We anticipate that additional premium increase(s) will be necessary in the future, but we do not presently know the date or amount of any future increase.]

If the above paragraph for **IF ADDITIONAL INCREASE IS POSSIBLE:** is used, either [increase] or [series of increases] will be used as appropriate.

The beginning sentences under **"Why is this increase necessary?"** have been bracketed to allow for change in the explanation for the increase.

The first paragraph under **"Ways to Reduce the Cost"** has sentences bracketed which would be used only if the policy qualifies for the Contingent Benefit Upon

Lapse (“CB”). The second paragraph in this section also has bracketed language which would be used if policy is subject to the CB.

Virginia Insurance Counseling and Assistance Program’s phone numbers and website have been bracketed in case of change.

The tollfree number and hours of operation of Coventry CareLink have been bracketed to allow for future changes.

The signer and title of signer are bracketed in case of future change.

Form TRI-CL2020 Options Cover Letter

Bracketing has been added to the company address should an address change be made in the future.

The address and phone number for the Administrator, Coventry CareLink Insurance Services, LLC, have been bracketed in case of future change.

[DATE] on first and subsequent page headers denotes the current Date of the correspondence.

[PH NAME] this bracketed field will reflect the insured’s full name

[PH ADDRESS] this will be the insured’s street address and/or PO box in either 1 or 2 lines

[PH CITY, STATE, ZIPCODE] the insured’s city, state and zip code

Policy Number: **[xxxxxxxxxxxx]**– this bracketed field will be the insured’s policy number.

[Ms./Mrs./Mr. PH LASTNAME] This will be the appropriate title and the insured’s last name.

The second and third paragraphs are bracketed and only one will be used in any letter as appropriate to whether there are Options available or not.

Only one of the bracketed fourth or fifth paragraphs will appear in the letter as appropriate.

The fourth paragraph will be used if the Contingent Benefit is not available. This paragraph has a bracketed phrase, which will be used when Options are attached.

The fifth paragraph will be used if the CB is available. This paragraph also has bracketed sections used only when there are options available.

The sixth paragraph is bracketed and would not appear if no Options are presented and CB is not applicable.

The phone number for Customer Service has been bracketed in case of future change.

Enclosures are bracketed and would only apply if Options are presented.

United Security Assurance

Company of Pennsylvania
673 East Cherry Lane, P.O. Box 64477
Souderton, Pennsylvania 18964

Administered By



February 20, 2021

John Doe
123 Main Street
Anytown, PA 12345

Policy Number: 12345678910

Dear Mr. Doe:

You have contacted our Customer Service Department in response to the letter regarding the rate increase for your United Security Assurance Company of Pennsylvania long term care policy.

Per your request, attached please find options available to reduce your premium. As noted on the attachment, if you decide to make one of these changes, please check the appropriate selection, sign, date and return to our office in the enclosed envelope. The option selected will become effective on the date noted on the attached illustration.

If you do not choose one of the options and do not pay the premium with the rate increase, you will receive the Contingent Benefit Upon Lapse ("CB") described in the rate increase letter and shown in the options attachment. Under CB you will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have paid or 30 times the daily nursing home benefit at the time of lapse. Your current Maximum Daily Benefit and Elimination Period will remain the same and you will pay no more premium. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in a premium paying status. All benefits paid while the policy is in a premium paying status and in the paid-up status will not exceed the maximum benefits which would be payable if the policy had remained in premium paying status.

Any changes to your Policy will be confirmed with a Policy Change Endorsement which we will send to you.

If you have any questions or concerns, please contact our Customer Service Department at 1-877-782-4663.

Sincerely,

Customer Service Department
Coventry CareLink Insurance Services, LLC

Enclosures:
Options attachment
Return Envelope

United Security Assurance Company of Pennsylvania
673 East Cherry Lane, P.O. Box 64477
Souderton, Pennsylvania 18964

Administered By:
Coventry CareLink Insurance Services, LLC
1302 Concourse Drive, Suite 303 Linthicum, Maryland 21090
(410) 850-9060 TEL
(410) 850-9070 FAX

July 29, 2021

Notice of Rate Increase and Your Options

Policy Number: 12345678910

Decision Due Date: September 29, 2021

John Doe
123 Main Street
Anytown PA 12345

Dear John Doe:

I am writing you today from Coventry CareLink Insurance Services, as administrator of your long term care insurance policy insured by United Security Assurance Company of Pennsylvania ("USA"). We will be implementing a premium rate increase of 17.5%. The 17.5% increase will take effect on your Billing Anniversary date listed below. Your new modal premium amount and the date due for the scheduled rate increase is as follows:

<u>Billing Anniversary Date</u>	<u>Prior Annual Premium</u>	<u>New Annual Premium</u>
10/15/2021	\$2296.64	\$2698.55

The rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>.

As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll-free number is: 1-877-782-4663 - ext. 120 and we are available Monday through Friday between 8:30 a.m. and 4:30 pm EST.

This premium rate increase is being implemented on all policies issued in Virginia on your Policy Form, and not on you as an individual. This rate increase is related to past and expected future claims and is not based on current economic conditions. We anticipate that additional premium increase(s) will be necessary in the future, but we do not presently know the date or amount of any future increase. Any future rate increase will not be implemented until the request has been filed with Virginia's State Corporation Commission and determined to be compliant with applicable Virginia laws and regulations addressing long-term care insurance.

Why is this increase necessary?

Premium increases are necessary when benefits paid, past and future, exceed what was expected when the policy was initially priced. We evaluated assumptions such as the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will voluntarily cancel their coverage, and prevailing interest rates. The results are much higher than these original projections. The reasons for this are due to individuals living longer and keeping their policies longer. This has resulted in more claims. For these reasons, premiums must be increased. While the rates need to be increased, we want to explain the specific change to your premium and tell you how you can continue to have access to your long term care insurance coverage even if you can't afford the rate increase. So, here is what you need to know:

- If you have other policies with United Security Assurance, they will not be affected by this premium increase. This increase applies only to the Policy number shown at the top of this letter.
- You have the right to a revised premium rate or rate schedule if your premium rate or rate schedule is changed.
- **If you currently pay your premium by an automatic bank plan or credit card, your new premium amount will be automatically drafted from your account when it is due, unless you notify us prior to the Decision Due Date at the top of this letter. If you do not contact us by that date, you can still make changes to be effective at the next premium due date.**
- If you are currently receiving benefits and on waiver of premium status, any Policy changes requested will be processed once the Policy is removed from waiver and you are no longer on claim. Your premiums will not increase until you are required to begin paying premiums again. You do not have to make a decision by the Decision Due Date and can decide at the time you are coming off claim.

Ways to Reduce the Cost

If you would like to keep your current benefits, you must pay the increased premium amount. If you choose not to pay the increased premium, you will receive a Contingent Benefit Upon Lapse ("CB"). Under CB you will pay no more premiums and will have a paid-up benefit equal to the greater of 100% of the sum of all premiums you have already paid, or 30 times the daily nursing home benefit at the time of lapse. In no event will the paid-up value exceed the maximum benefits which would be payable if the Policy remained in a premium paying status. **In many cases, the decision to elect the CB option may result in a significant reduction in benefits.**

If you feel you may have difficulty affording the new premium amount, there are other ways to avoid paying the rate increase besides accepting the CB benefit described in the above paragraph.

Options available to you may be to:

1. Reduce the Daily Benefit amount, and/or

2. Reduce the Benefit Period of your Policy, and/or
3. Increase the Elimination Period, and/or
4. Remove or adjust optional Riders, if applicable.

You should be aware that all options available to you may not be of equal value. Please call us if you want to know the options available for your Policy.

For future rate increases, similar options may be available; however, you can contact us at any time to discuss decreasing your coverage and premiums, per the provisions of your Policy.

How to get Help

You may wish to consult with family members and advisors about this rate increase and the options you have to minimize the effect of the increase.

You can also contact the Virginia Insurance Counseling and Assistance Program (VICAP) at Toll-Free: 1-800-552-3402 (Nationwide Voice/TTY); or (804) 662-9333, or visit their Web site: www.vda.virginia.gov/vicap.htm. VICAP is a free, unbiased, confidential counseling program that offers health insurance information, education, and assistance to seniors and adults with disabilities (and their families) in understanding Medicare and making decisions about long term care insurance. The Virginia Department for Aging and Rehabilitative Services and the Bureau of Insurance has worked closely together to develop this insurance counseling program in Virginia.

We encourage you to call our customer service department if you have any questions regarding this rate increase or would like to discuss all of your options. As administrator for your United Security Assurance Policy, Coventry CareLink will be implementing the increase. Our toll free number is: 1-877-782-4663, ext 120 and we are available between 8:30 a.m. and 4:30 pm EST.

We appreciate and thank you for the opportunity to service your long term care insurance.

Sincerely,

Elaine Griffin
Director of Operations

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

<u>Product</u>	<u>Policy Forms</u>	<u>Rider Forms</u>
PAL-1, et al Long Term Care	PAL-1, PAL-1(02)R	R-DVH-2, R-DVH-3, R-LIR-4 R-NF, R-HCS

These policy forms were issued by National States Insurance Company (NSIC) from 1997 through 2009. The business was subsequently assumed by United Security Assurance Company of PA (“United Security”) as of September 30, 2009. These policies are no longer being marketed in any jurisdiction. The business was assumed in two portions: a) 2008 and prior issue assumption occurred on July 1, 2009, and b) 2009 issues which occurred on January 1, 2010.

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the requested rate increase of this product meets the minimum requirements and demonstrates compliance with your jurisdiction. This filing may not be suitable for other purposes.

The rate increase being requested will not apply to those policies whose premiums are being waived at the time the rate increase becomes effective but will apply if/when such policies return to a premium-paying status.

As part of the Company’s normal rate increase notification process, the Company will communicate clearly, at the time of notification, that the insured has the opportunity to discuss policy modifications designed to either moderate or fully offset the rate increase. Modifications can include adjustments to the maximum daily benefit and/or other components of the policy. The Company will also provide the standard contingent non-forfeiture benefit to all policyholders who qualify for that option.

2. Description of Benefits

These are lifetime premium, individually underwritten policy forms that provide facility care and, by rider, home health care (exceptions include OR and MI where these forms are sold as comprehensive policies, and WI whose forms are also comprehensive but are identified as WAL1).

Unlike the comprehensive policies sold in OR, MI, and WI, where the home health care benefit is part of the policy’s maximum lifetime benefit, the home health care rider stands separate from the policy in terms of its daily benefit and benefit period. In addition, there is no elimination period associated with the home health care rider nor is it subject to any inflation benefit rider that may have been purchased with the policy.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

Each form has benefit eligibility requirements which involve activities of daily living (ADL) deficiencies or cognitive impairment. Waiver of premium is provided after satisfaction of the policy's elimination period. Benefits are restored if 180 days of separation occurs. A contingent benefit upon lapse will be available to all insureds.

Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) summarize the demographics and benefit characteristics applicable to policies in force as of June 30, 2020.

3. Renewability

These policies are guaranteed renewable for life.

4. Applicability

As these policy forms are no longer being sold, this filing is applicable to inforce policies only. The premium changes will apply to the base forms as well as all applicable options and riders.

5. Actuarial Assumptions

- a. Expected Claim Costs are the original pricing claim costs (also the basis for reserves), which include durational adjustment factors like selection. Further actual-to-expected adjustment factors have been applied based on historical experience of this block. The following table presents the historical product experience since acquisition, split by morbidity study year, where the study is conducted every September. The current model assumption is that future incurred claims will trend in accordance with the expected claim costs.

With 2014 through 2017 incurred loss ratios well above 100%, the 2018 incurred loss ratio of 84.5% appears to be an anomaly, since the 2019 loss ratio was the highest ever at 143.3%. With the implementation of prior accepted rate increases (although the last round is not yet fully implemented as of year-end 2019), the anticipated lifetime loss ratio has increased from 74.2% last year to 78.8% this year.

The following summarizes the range of actual-to-expected results the Company has realized since its acquisition of this block. The results shown are for years ending September 30 to coincide with the annual cash flow testing analysis and assumption setting. The calculation of the Expected Loss Ratios is done by multiplying the pricing product durational loss ratio (from Exhibit 2) by the initial (originally priced) in-force annual premium for each premium-paying policy and dividing by the total in-force original premium.

Morbidity Study Year	Actual Loss Ratio	Expected Loss Ratio	Actual / Expected
2010	50%	59%	99%
2011	80%	60%	132%
2012*	100%	69%	145%

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

2013	75%	79%	96%
2014	114%	86%	133%
2015	133%	95%	140%
2016	130%	105%	124%
2017	112%	116%	97%
2018	85%	126%	67%
2019	143%	139%	103%
10 Yr Total	100%	83%	121%

* Does not include the 2012 reserve strengthening

As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the average attained ages (weighted by annual premium) are 80.9 and 87.3, respectively, while for those currently in claim, the average ages at date of incurral are 86.2 and 85.5, respectively.

- b. Voluntary Termination Rates are also those which underlie the reserves: 4% for policies issued prior to 2007 and 2% for policies issued in 2007 and later. Based on a weighting of the current inforce, this translates into an effective annual voluntary lapse rate of 3.5%.
- c. Mortality is assumed to follow the gender specific 1994 Group Annuitant Mortality (GAM) Table which is also the basis for reserves.

The following table compares the actual total termination rate with the total termination rate implied by the combination of the mortality rates and voluntary termination rates noted above. The results shown are for years ending September 30 to coincide with the annual cash flow testing analysis and assumption setting.

Termination Study Year	Actual Total Term Rate	Expected Total Term Rate	Actual Less Expected
2011	12.0%	9.2%	2.8%
2012	5.9%	9.5%	-3.7%
2013	10.2%	9.6%	0.7%
2014	13.3%	9.8%	3.4%
2015	11.9%	10.0%	1.9%
2016	14.8%	10.3%	4.5%
2017	16.4%	10.4%	6.0%
2018	15.3%	10.4%	4.9%
2019	16.7%	10.8%	5.9%
9 Yr Average	13.5%	9.8%	3.7%

- d. Adverse Selection. We have not modeled any shock lapse or adverse selection associated with this rate increase. We have tested a moderate level of morbidity based anti-selection in Exhibit 5 (nationwide experience) to reflect the possibility for increased claims activity by remaining policyholders.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

- e. Expenses. Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

These assumptions are based on the nationwide experience of the particular policy forms in this filing. The assumptions used in this filing are considered best-estimate. As stated earlier, actual morbidity levels are in excess of expected levels, in large part due to the higher than expected claims experience for older ages. These factors are the primary drivers for this request.

In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-referenced policy forms were taken into consideration.

6. Marketing Method

These policy forms were marketed by agents and brokers of National States. These forms are no longer marketed or sold.

7. Underwriting Description

These policies were underwritten by National States using protocols and methods applicable at the time of policy application. Based on those protocols and methods, policies were either declined, issued standard (Class AA = rating of 100%) or issued substandard (Class A = rating of 150%). As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the percentages of policies in force and underwritten as substandard (weighted by annual premium) are 36.6% and 31.5%, respectively.

8. Premiums

Premiums are unisex and payable for life. The premiums may vary by issue age, benefit period, initial daily benefit, elimination period, inflation option, premium payment option, risk class, and the selection of any riders.

9. Issue Age Range

Issue ages are from 40 to 89. As shown in Exhibits 1 (nationwide) and 1A (Virginia: informational purposes only) the average issue ages (weighted by annual premium) are 66.1 and 71.2, respectively.

10. Area Factors

Area factors are not used for this product.

11. Premium Modalization Rules

The following modal factors are applied to the annual premium (AP): annual 100%, semi-annual 52%, quarterly 26.5% and monthly 8.4%.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

12. Reserves

Active life reserves have not been used in this analysis. A by-state average of claim reserves, between each year-end of 2013 through 2018, has been incorporated in the projected future claims. Claim reserves as of year-end 2009 and later have been incorporated in the historical incurred claims where the definition of an incurred claim in a given year is equal to the paid claims plus the change in claim reserves. Claim reserves prior to 2009 were not available because it was prior to USA's acquisition of the business. This missing data would only inflate the incurred claims and justify additional rate increases. In the above, claim reserves include incurred but not reported (IBNR) reserves.

13. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

14. Past and Future Experience

The split of incurred claims into paid claims and claim reserves was not available prior to acquisition so the exhibit(s) set the two equal. The sudden increase in 2012 incurred claims is largely attributable to claim reserve strengthening that occurred in 2012. Removing this would bring the nationwide loss ratio more in line with the 2011 loss ratio. For calendar years 2010 and later, actual historical incurred claims are determined as claims paid in the calendar year plus the change in claim reserves. Anticipated experience for 2020 is based on actual collected premium and paid claims through December, 2019 and open claim reserves as of December 31, 2019.

As mentioned in Section 5a, projected experience for 2020 and after is based on 2010 through 2019 experience and the trend in expected earned premiums and anticipated incurred claims based on a policy-level projection using actual policies in force as of December 31, 2019 and assumptions noted in Section 5.

For purposes of accumulating experience for an anticipated or lifetime loss ratio calculation, the calendar year totals are assumed to represent a mid-year value. The loss ratios shown in the exhibits are computed using a 4.35% interest rate (approximating the weighted average rate used for statutory reserves).

Rate Stabilization model requirements allow for a much smaller rate increase than the Loss Ratio requirements. Although 1 of the 6 premium paying policies in force in Virginia (16.7%) was issued before Oct. 1, 2003, this filing was constructed as if all policies were under the more conservative Rate Stabilization requirements.

Exhibit 4 shows the projection of future experience with the one-time rate increase of 17.5%. The new proposed rates are shown in Exhibit 6.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

15. History of Previous Rate Revisions

Round 1: National States received no rate increase in Virginia in 2009. Some other states received an 18% rate increase on the PAL-1 series (almost no rate increases were taken on the QLT-1 series). The requests were implemented during late 2009 and early 2010. While the aggregate impact of this rate increase is reflected in the national historical experience, I was unable to adequately reflect it in the state specific Exhibit 3A. As such, Exhibit 3A allocates the historical data as though every state had accepted the approximately 9.5% nationwide average.

Round 2: USA received approximately 26.9% rate increases nationwide on the PAL-1 and QLT-1 series in 2011 and 2012, of which 15% was accepted in Virginia. Historical experience has been split to reflect this in the attached.

Round 3: In 2013 and early 2014, USA received approximately 13.3% rate increases nationwide on the PAL-1 and QLT-1 series, of which none was requested in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted, except Indiana, which limited the rate increase to the QLT-1 form. Rate increases were accepted on 81.6% of all in force policies as of 6/30/2013, ranging from a low of 5% in 1 state, to a high of 25% in 1 state, with 6 states accepting 20%.

Round 4: In late 2014 and early 2015, USA received an average nationwide rate increase of 14% on the PAL-1 and QLT-1 series, of which 20% was requested in Virginia, but the request was denied. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 80.1% of all in force policies as of 6/30/2014, ranging from a low of 3% in one state, to a high of 20% in 7 states.

Round 5: In late 2015 and early 2016, USA received an average nationwide rate increase of 15.4% on the PAL-1 and QLT-1 series, of which no request was filed in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 88.1% of all in force policies as of 6/30/2015, ranging from a low of 10% in 4 states, to a high of 20% in 6 states.

Round 6: In late 2016 and early 2017, USA received an average nationwide rate increase of 11.5% on the PAL-1 and QLT-1 series, of which no request was filed in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 67.7% of all in force policies as of 6/30/2016, ranging from a low of 10% in 3 states to a high of 20% in 5 states.

Round 7: During 2018, USA received an average nationwide rate increase of 14.8% on the PAL-1 and QLT-1 series, but no request was made in Virginia. The rate increases were applicable to all policy forms in the states where an increase was accepted. Rate increases were accepted on 70.5% of all in force policies as of 6/30/2017, ranging from a series of 3 annual increases of 40.4% each in 1 state, to a low of 10% in 2 states.

Round 8: In 2019, USA was attempting to end the cycle of annual rate increase requests, by requesting a series of 3 annual increases of 32.8% each, with the certification that if the requested

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

series is granted there will be no more rate increase requests for this block of policies (unless experience deteriorates significantly and unexpectedly). Michigan and Wisconsin accepted the requests for the series of 3 annual increases of 32.8% each (or the 1-time equivalent of 109.65%), Iowa and Tennessee each accepted a series of 2 annual increases, and Nebraska and Illinois accepted multi-year rate increases in Round 7. Other states accepted a variety of 1-time rate increases. This VA rate increase request is still pending after 14 months.

Round 9: Six rate increase requests have been submitted as part of Round 9. Three have been approved and 3 are still pending.

16. Analysis Performed to Consider a Rate Increase

The analysis performed in support of this filing includes morbidity and termination studies noted in Section 5 as well as emerging differences in the emerging aggregate durational-weighted loss ratios relative to that assumed in the original pricing. The durational pricing loss ratios are shown in Exhibit 2 and, although not explicitly available, the following is a description of the original pricing assumptions for claim costs, voluntary termination rates, mortality, and interest:

- a. Original Pricing Expected Claim Costs. Original pricing expected nursing home and home health care incidence rates and continuance tables were taken from early SOA and NCHS studies. All values were adjusted to reflect elimination periods, policy maximums, and eligibility standards. In addition, my understanding is that adjustments were made by duration to reflect expected underwriting.
- b. Original Pricing Expected Voluntary Termination Rates. Original pricing expected lapse rates varied by duration with the ultimate lapse rate assumed to be 4%.
- c. Original Pricing Expected Mortality. 1983 Group Annuitant Mortality (GAM) Table
- d. Original Pricing Expected Investment Earnings. 6%

As noted above, the historical experience prior to acquisition (2010) was available only in aggregate without distinction between collected and earned premiums, or paid and incurred claims. Post-acquisition data (2010-2019) is based on policy level data (collected premium, paid claims, claim reserves). Amounts for 2020 and after are based on actual experience through the end of 2019, using a seriatim projection of policies in force as of 12/31/2019 and the assumptions outlined in Section 5.

17. Requested Rate Increase and Demonstration of Satisfaction of Rate Stabilization Model Requirements

Although a much larger rate increase is justified at this time (about 333.7% under the Loss Ratio regulation, and under the Rate Stabilization model regulation, about 198.5%), the Company is accepting a rate increase offer of 17.5% on all premium paying policies in force in Virginia, with the understanding that experience will continue to be monitored and additional increase requests

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

may be forthcoming in the future. This premium rate increase being accepted is supportable under both the Loss Ratio regulation and the Rate Stabilization model regulation.

To mitigate the impact of this rate increase on policyholders, we will offer policy modifications to partially or completely offset the rate increase. We are in agreement that annual rate increases are unpleasant and unfortunate. To have to persist in the filing and implementation of them is a burden on both the company and the policyholder. We did not price and market these forms but are simply attempting to mitigate the adverse consequences of this aging assumed block and bring premium levels into appropriate balance with the benefits being offered. Our preference would certainly be to implement a known (and more substantial, in aggregate) rate increase over a period of years (such as this requested amount) than to do so in smaller amounts and more frequent occurrences.

Exhibit 3 shows the anticipated lifetime loss ratio under current expectations exclusive of the requested rate increase (Exhibit 3A is historical Virginia only experience). Exhibit 4 shows the anticipated lifetime loss ratio using a one-time rate increase of 17.5%. As shown in Exhibits 3 and 4, the anticipated lifetime loss ratio with and without the requested rate increase exceeds the minimum loss ratio requirement of 60%. Exhibit 7 shows the same projection (as Exhibit 4) with 10% worse morbidity levels which are consistent with the levels experienced in 2012, and in 2014 through 2017, and 2019. Corresponding rates, reflecting the above increase, are shown in Exhibit 6.

18. Number of Insureds and Annualized Premium

Based on December 31, 2020 in-force premium paying policies, the number of insureds and annualized premium that will be affected by this increase in this jurisdiction and nationwide are shown in the table below. Further nationwide splits by key benefit characteristics are shown in Exhibit 1.

	Number of Policies	Annualized Premium Before Incrs	Average Annualized Premium Before Incrs	Proposed Increases	Proposed Annualized Premium After Incrs	Average Annualized Premium After Incrs
Nationwide	752	2,619,784	3,484	17.5%	3,078,246	4,093
Virginia	3	5,715	1,905	17.5%	6,716	2,239

19. Proposed Effective Date

This rate increase will apply to policies beginning on their next premium payment date following a 60-day policyholder notification period following approval.

UNITED SECURITY ASSURANCE COMPANY OF PA
Address: 673 Cherry Lane, P. O. Box 64477, Souderton, PA 18964
Actuarial Memorandum for Long Term Care Policies
September 3, 2019

20. Actuarial Certification

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings and to render the actuarial opinion contained herein. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8 and 18.

As the Company is not requesting the maximum permissible rate increase of 198.5%, I am not providing a VAC 5-200-153 Subdivision B. 2. certification at this time. The Company will continue to monitor experience and further modest rate action will be taken in the future if experience continues to justify as much.

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of Virginia and the rules of the Department of Insurance. In my opinion the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy.



Gary R. Hulet, ASA, MAAA

Staff Actuary

United Security Assurance Company of Pennsylvania

Date: November 4, 2020